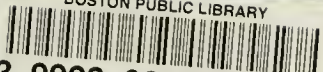


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VICTORY

OFFICIAL WEEKLY BULLETIN OF THE
OFFICE FOR EMERGENCY MANAGEMENT

Formerly **DEFENSE**

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Explanatory Note

The issue of the magazine and the page number for each reference are listed thus: (34) 4. This indicates that the story will be found in Issue No. 34 of Vol. II on page 4.

Labor disputes certified to the National Defense Mediation Board are listed alphabetically under "Mediation Board" by the name of the company involved, followed by the name of the union. Neither union nor company names are otherwise listed unless mentioned in the magazine in some other connection.

Names of private organizations and governmental units other than those under the Office of Production Management and the Office for Emergency Management are followed by page references only, without explanatory notes.

It should be remembered that this Index covers the period July-December 1941 prior to the setting up of the War Production Board.

Key to Abbreviations

DHWS	Defense Health and Welfare Services
OADR	Office of Agricultural Defense Relations
OCD	Office of Civilian Defense
OEM	Office for Emergency Management
OPA	Office of Price Administration
OPACS	Office of Price Administration and Civilian Supply
OPM	Office of Production Management

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Borax; Brass; Burlap; Cadmium; Can-

ning Industry; Civilian Industries;

Chemicals; Copper; Cost of Living; Cot-

ton; Clothing; Farming Industry; Food;

Health and Medical Matters; Inflation;

Iron and Steel; Laundry Equipment;

Lead; Leather; Lumber; Mercury; Nylon;

Paper; Petroleum; Plastics; Price Con-

trol; Radio; Railroad Industry; Rayon;

Refrigerators; Rubber; Salvage; Silk;

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19; (28) 12; Dean (30) 13; Emerson

(31) 13; Gould (31) 16; Hoffman (28)

14; Judd (32) 13; Keyes (28) 12; Lea

(28) 14; Leventhal (31) 13; Lewis (27)

11; Linz (29) 11; MacChesney (31) 13;

McCormick (33) 12; Nilsson (31) 13;

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Cable; Chemicals; Civilian Industries;

Clothing; Coal; Coke; Colors; Containers;

Compliance; Copper; Cotton; Doors and

Windows; Electrical Appliances; Electric

Wire; Flashlights; Floor Coverings; Food;

Furniture; Glass; Hardware; Heating

Equipment; Houseware; Inflation; Iron

& Steel; Leather; Lead; Lumber; Machine

Tools; Manganese; Nickel; Paper; Petro-

leum; Plumbing Equipment; Printing

Equipment; Radios; Rags; Railroads;

Rayon; Rubber; Salvage; Shoes; Silk;

Sugar; Tin; Wood-Pulp; Wax; Wool;

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Appointments and personnel matters: Baer

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16; Burns (47) 16; Christenson (44)

17; Clark (44) 17; Doffing (47) 13;

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(43) 10; (48) 31; Green (47) 16; Hasson

(62) 12; Joseph (50) 18; Kaufman (46)

15; Keane (48) 31; Lee (44) 17; Lucas

(44) 17; Maverick (37) 12; Mackay (47)

16; McGann (44) 17; McKay (47)

16; Miller (52) 21; Millman (41) 13;

Mosak (44) 17; Nickell (50) 19; O'Leary

(46) 24; Oppenheim (45) 24; Ostrom

(44) 17; Reilly (44) 17; Reynolds (44)

17; Rodger (44) 17; Ross (44) 17; Ryan

(49) 15; Scott (44) 17; Shaughnessy

(47) 13; Shiffer (44) 17; Weigel (47)

12; Weiss (48) 31; Weltner (38) 10;

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DEFENSE



OFFICIAL WEEKLY BULLETIN OF THE OFFICE FOR EMERGENCY MANAGEMENT

OFFICE OF PRODUCTION MANAGEMENT, NATIONAL DEFENSE ADVISORY COMMISSION, DEFENSE HOUSING COORDINATOR, DEFENSE COMMUNICATIONS BOARD, COORDINATOR OF HEALTH AND WELFARE, SCIENTIFIC RESEARCH AND DEVELOPMENT, NATIONAL DEFENSE MEDIATION BOARD, DEFENSE AID REPORTS, COORDINATOR OF COMMERCIAL AND CULTURAL RELATIONS BETWEEN THE AMERICAN REPUBLICS, PRICE ADMINISTRATION AND CIVILIAN SUPPLY, CIVILIAN DEFENSE

WASHINGTON, D. C.

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Review of the Week in Defense

Americans cannot have the luxuries to which they are accustomed and all-out defense too, Robert E. McConnell, chief of the OPM Conservation and Substitution Section, told a press conference last week.

"There are not going to be enough metals—and that includes practically all metals—to serve both the defense program and a vastly expanded output of consumer goods," he said. "No matter how hard we try to avoid it, production of consumer goods is bound to be curtailed to an increasing extent."

At the same time the OPM Production Division paved the way for a further reduction in the output of automobiles at a conference of manufacturers of passenger cars, trucks, buses, taxicabs, and fire-fighting equipment.

More work for auto makers

OPM Director General William S. Knudsen said that the auto industry, which already holds 2 billion dollars' worth of defense contracts, may have to treble its defense work.

Assurance that essential civilian industries will share in the allocation of vital and limited materials meanwhile came from the Office of Price Administration and Civilian Supply.

Civilian maintenance aided

Administrator Leon Henderson took steps to provide repair and maintenance materials and equipment for 26 industries and services whose continued operation is necessary for public welfare. These include railroads, street railways, telephone and telegraph, water and sewer lines, fire and police services, farm equipment, hospitals, schools, and parks.

Deliveries of materials and equipment to builders of cars and buses on urban or interurban lines were given a preferential status by OPACS to insure adequate transportation facilities for the traveling public. Locomotives, far short of demands, were placed on a par with freight cars in their right to limited materials. Farmers, who face a shortage of storage space for grain now being harvested, were given relief by the allocation of 15,000 tons of sheet steel for grain bins.

Emergency allocations were made for construction and repair of machinery needed by the canning industry to conserve this year's crop of vegetables and fruits. Earlier an appeal was made jointly by three defense officials to save these crops from waste.

Mr. Henderson at a press conference stated that the cost of living is rising and will continue to rise. He indicated that price-fixing legislation is being prepared.

OPACS postponed indefinitely the placing of a ceiling on the prices of auto tires and tubes.

Americans pledge allegiance

The entire Nation participated in a brief demonstration of American unity on July 4, under the sponsorship of the Office of Civilian Defense. Americans at home, in theaters, at ball games, in automobiles, pledged allegiance to the flag in unison after listening to a brief address by President Roosevelt.

A plan for intensifying first-aid training for the general public was disclosed by OCD with the appointment of Dr. George Baehr, of New York, as chief medical officer of OCD. The U. S. Public Health Service will work with the OCD on the program.

Power saving in the South

The people of the South were asked in a statement by Mr. Knudsen and OPM Associate Director General Sidney Hillman to cooperate in curtailing civilian use of power so that more will be available for southeastern aluminum plants.

"Here is an opportunity for service to the Nation," they said. "By saving electricity now you will be doing your part to make America safe."

OPM Priorities Director E. R. Stettinius, Jr., announced the creation of a compliance section. Voluntary cooperation will be sought in all cases, he said, but punitive action will be taken wherever necessary.

Six months in priorities

Summarizing a half year's activities, Stettinius said 14 materials are now under industry-wide control, 15 under inventory control, and others under minor restrictions.

A blanket preference rating was extended to 450 machine tool builders to expedite the production of machine tools for defense industries.

Six field offices, bringing the total to 10, were opened to familiarize the public and industry with priority's role in national defense.

As the defense housing program grew, President Roosevelt approved the construction with public funds of an additional 10,070 homes for the families of defense workers and enlisted personnel in 34 cities and towns.

★ ★ ★

Ceiling on rubber products deferred by OPACS

Setting of ceiling prices on finished rubber products—tires and tubes in particular—will be deferred for some months, OPACS Administrator Henderson announced July 3. Effect will be to give the industry an opportunity to work out the current price problem on a voluntary basis.

This decision was reached after conferences with tire manufacturers, mass distributors, and dealers. Industry representatives at these meetings were strongly of the opinion that in spite of contemplated reductions in crude rubber consumption, there was little or no prospect that the prices of tires and tubes would get out of hand. For competitive reasons, prices have recently been at low levels. Contemplated reductions in automobile production promise to be a further limiting factor on demand. It was stated that except for minor increases occasioned by higher material costs, there was every likelihood that these levels would continue.

OPACS had previously announced that a ceiling would be placed on tire and tube prices at June 16 levels.

Manufacturers and major distributors have been requested to consult with OPACS in advance of any contemplated changes in list prices and in discounts from list prices. Exceptions from this requirement will be made for minor adjustments in retail prices that are confined to a small number of local markets.

DEFENSE

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Living cost bound to rise, says Henderson; discusses question of control law

The cost of living is bound to rise, Leon Henderson, Administrator, Office of Price Control and Civilian Supply, said at his press conference July 1. "I don't believe," he asserted, "that if we have this increasing pressure we can continue without some support, probably, in the way of legislation."

Excerpts follow:

Mr. HENDERSON. I want you to know that I am very seriously concerned about the strong trend in the price level. I indicated before the Budget committee that the informal and voluntary assurance method of keeping basic commodities in line had been adequate and satisfactory up until about the end of February and it seemed that at that period the American producers were entitled to something of a more formal nature in the way of price schedules and definitive statements as to what we would like to have as their price policy.

The shift in speculation

In the period beginning about that time we were beginning to feel the impact of several cost-raising activities. A shortage of bottoms and the general skyward tendency of ocean shipping rates is being reflected in a number of the imported commodities—in fact, practically all of the imported commodities were influencing the sensitive indexes; and it was very apparent that when these commodities were traded on an exchange that there had been quite a transfer of the speculative fraternity usually found in the security markets over into the commodity markets.

Recently, the price index has been moving up, as you know. The wholesale price index of the Bureau of Labor Statistics has been moving up about a point a week; and if you consider that from the beginning of the defense program last June until about February, there was less than four points increase and that since that time there has been six points increase, you can get an idea of the strength of the trend. We are now above the level of prices that was reached in 1937. However, it would be certainly not correct to call this movement inflation in the classic terms; that is, inflation is usually considered to be an increase in the medium of purchasing power without a corresponding increase in production. We have had a most amazing increase in production all along the line, and that particularly is true of

the semiluxurious consumers durable goods. I brought along the business index from last Sunday's *TIMES* that shows that we are in a new high level of production. In 1929 the *TIMES* index was around 114 at its peak and last week it was 131.4, and the tilt of it is still very definitely upward.

New production rise to be defense goods

Now, unless there are severe dislocations that take place by reason of the diversion of defense materials away from the consumers goods industry, I would expect that index to increase; but I think that the increase will be due to the greatly enlarged production of defense items and none of which are available to be purchased by the additional purchasing power that is being poured into the system by reason of the defense program.

Now, with the price level subjected to the severe pressure as it is, we are faced with this enormous increase in purchasing power and with the prospect that taken together the tax program and the savings program will still leave a large amount available which will press against the consumer goods, civilian goods, and the one tool ready and at hand for holding prices in balance and keeping them in line is, of course, the price ceiling method.

Cost of living bound to go up

I am clear that as far as the wholesale price index is concerned there will be a continuing increase and that as far as the cost of living is concerned there is bound to be an increase.

Q. Mr. Baruch has been recommending the setting of a price ceiling or rather freezing all prices generally by such action. Wouldn't it be possible for your office to avoid the repetition of anything like the cottonseed oil rise?

A. Absolutely. Speaking as a technical matter, absolutely.

Q. Now, are you opposed to this idea of Baruch's?

A. No; I am not opposed to Baruch's idea. I think it would be a very healthy thing for this economy if we could have had a holding of prices at the level that existed when this new amount of activity came in through the defense program. There are a lot of administrative difficulties, as I have explained, in maintaining the price. The Baruch plan, as you probably know, calls for the possibility of a request or an appeal to come

up to a body as to a change in a price, and we haven't been on any kind of an administrative level where a complete ceiling on all prices could be administered. I want to be very clear with you that as far as the technical management of a price control is concerned, I recognize completely that that would be a very very able method.

Question of authority

Q. Do you have the authority to do it today under the existing law or are you prevented from doing it?

A. We are not prevented from doing it; but for making it effective, I don't believe we have adequate authority.

Q. You are going to run into the same problem anyway. You are jumping from one problem to another as they get in hand. In time you will have also every commodity on your hands. Why not apply a blanket ceiling now than try to struggle with the other?

A. I think I have indicated some of the difficulties that I see.

Q. Does it require the law to give you more authority?

A. I think so.

Q. Isn't it largely a question of wages and farm prices, too; that is, they would have to be controlled at the same time, and a general price ceiling would have to be applied?

A. I think they would have to be restrained, to use a phrase which the *WALL STREET JOURNAL* used this morning in an advertisement.

On legislation

Q. How soon, Mr. Henderson, are you going to ask for this new bill? What shape is it in, when will it be before Congress?

A. That is a matter for the President.

Q. Is it going to include wages?

A. That is a matter for the President.

Q. Do you want it to include wages?

A. No discussion.

Q. Before, as a matter of fact, wasn't that the biggest hole in the ceiling?

A. No, the biggest hole in the ceiling, if you mean the whole price level—

Q. No, I mean the unwillingness to put a top on wages.

A. No; categorically, no. I started out to tell you what I thought was the strongest factor influencing price rises, and that is the feeling which is not a new one and that everybody has, that they are absolutely against inflation and want to avoid it as a plague; but they see no relation to a little bit of price rise of their own inflation. I don't see any way in

which an inflation can happen unless prices are raised.

Q. Mr. Henderson, do you believe that your present method of keeping prices in line will sufficiently control the cost of living so that when the new wage contracts which now represent one boost in wages run out next September that there won't be a basis for another wage boost in the new contract?

Absorbable wage boosts

A. I can't guess as to what the cost of living is going to be next September or October. Let me put it this way, if I can: Most of the wage increases that have taken place can be paid out of savings of industry due to the lowered unit cost that comes when you have a sustained high level of use of capacity. Now, if you have a rise in the cost of living and that is used as a basis for negotiation of wage increases, there is no possibility, for example, of going back to the steel industry, which is operating at 100 percent capacity, and of asking that that come out of the additional earnings which the steel companies have enjoyed up to now. That would mean that if there is a wage increase that is a recognizable increase in cost, that is to be taken into account in allowing a price increase.

When you reach that period you are in your familiar ratchet process because when that price increase is added, then it gets transmitted all along the line, and we will be compelled under our policy of not asking industries to operate in the red, to allow that as a matter of price that will get translated into the cost of living. And you will have your familiar spiral unless it is checked.

Will the present method work?

Q. As to the increasing pressure on production costs, do you still think that the present method is going to work?

A. I don't believe that if we have this increasing pressure we can continue without some support, probably, in the way of legislation.

Q. Would enforcement be really the answer to that?

A. That is one of the chief reasons why you need legislation with sanctions that are directly and specifically applicable to the individual violator. As it is now, the sanctions that are available, and they are perfectly legal ones—their status is perfectly legal—are very, very heavily penalizing. Not only that, but they would penalize a lot of people, innocent people, who have nothing to do with the price violation.

DEFENSE STATISTICAL PROGRESS REPORT, JUNE 30, 1941

UNITED STATES ARMED FORCES

Total active strength, officers and men	1,752,700
Army, June 28	1,441,600
Navy and Marine Corps, June 1	311,200

PURCHASES AND PRODUCTION

	In millions	
Total authorized program, 6/11/40-6/15/41 (revised figure)	\$38,651	
Army	\$13,135	
Navy	13,215	
Lend-Lease	7,000	
Other defense agencies	5,301	
Total contract awards 6/11/40-6/15/41	20,960	
Army	8,480	
Navy	10,218	
Other defense agencies	2,262	
Pay, subsistence, travel, Army and Navy, 6/11/40-6/15/41 (Program)	4,542	
Total cash disbursements, authorized program, 6/11/40-6/15/41	8,556	
Commitments for defense plant expansion, May 31, 1,847 projects	3,061	
Government commitments, 397 projects	2,291	
Private commitments, 1,450 projects	770	
Number prime contracts \$10,000 and over awarded May 31 (estimated)	18,000	
Deliveries by military aircraft manufacturers in May	1,334	
Combat vessels delivered in May	3	
Merchant vessels delivered in May	10	

BRITISH PURCHASES IN THE UNITED STATES

Total contract awards, Sept. 1, 1939-June 15, 1941	3,692
Payments on orders, June 1940-May 1941	2,035
Commitments for plant expansion to May 31; 47 plants	146

EMPLOYMENT

	Number	Year's increase
Total civil nonagricultural employment in May	38,278,000	8.0%
Private, 18 major defense industries in May	2,332,000	40.5%

LABOR DISPUTES

	Number
Disputes involving stoppages in defense plants, June 1-21	32
Work resumed in defense plants, June 1-21	16
Cases certified to Labor Mediation Board, March 27-June 28	45
Cases settled	41
Cases rejected	1
Cases pending	3

LABOR TRAINING

Persons enrolled, special defense training, May daily average	300,000
Persons who have completed special defense training as of May	1,526,300
Preemployment vocational training	441,000
Training supplementary to industrial employment	524,000
General training for out-of-school youth	471,300
Engineering training part-and-full time	90,000
Companies participating, training within industry, May	850
Employees participating training within industry, May	1,350,000

CIVILIAN DEFENSE

Housing units allocated, June 14	106,053
Housing units, construction contracts let, June 14	76,650
Housing units, completed, June 14	17,176
State defense councils established	44

PRICES

Price schedules issued (second-hand machine tools, scrap and secondary aluminum, scrap and secondary slab zinc, bituminous coal (revoked May 1, following termination of coal strike), scrap iron and steel, iron and steel products, combed cotton yarn, scrap and secondary materials containing nickel, domestic hides, rip and calf skins, pig iron and cotton gray goods)	11
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PRIORITIES

Materials under broad priority control	28
Items on Priorities Critical List for Army-Navy Purchasing	300
Metals under inventory control (antimony, cadmium, chromium, ferrous alloys, iridium, iron and steel products, lead, manganese or spiegeleisen, mercury, molybdenum, non-ferrous alloys, tin, vanadium, secondary materials or scrap of metals listed)	16
Materials under industry-wide control (aluminum, magnesium, nickel, nickel-steel, ferro-tungsten, machine tools, synthetic rubber, copper, cork, borax, zinc, polyvinyl chloride, rubber)	13

PRODUCTION . . .

More and more luxuries and varieties to disappear from stores—McConnell

"Until this program is over the people of the United States are going to walk into stores more and more and find their merchants simply cannot supply them with the products they want."

This description of the necessary civilian sacrifice for defense was made by Robert E. McConnell, chief of the Conservation and Substitution Section, OPM, in a statement distributed at his July 3 press conference. In his talk with reporters he said that "there are going to be, without any question, fewer automobiles—as we have more defense—fewer refrigerators, vacuum cleaners, radios, and the like."

The prepared statement follows, in part:

For the past several months it has been clear that the size of the defense job this country has undertaken would involve considerable sacrifice on the part of the general public.

So far it has been difficult to see exactly how many would have to sacrifice and how much. It still is difficult to be very specific, but certain fundamental facts deserve consideration and from them we can draw certain fundamental deductions:

First, this is a war of metallurgy. Metals of all kinds are needed in quantities unheard of before.

Greatest producer and consumer

Second, this Nation, which is the world's greatest producer of metals, is also the world's largest consumer of metals even in normal times.

Third, while we are devoting about 17 percent of our national income to defense work, Germany at present is devoting over 50 percent of her national income to defense and Britain between 40 and 50 percent. The percentage of our national income going into defense will increase greatly within the next year or so—how much nobody knows at the present time except that the figure is constantly being revised upward.

From these facts we can make the general deduction that there are not going to be enough metals—and that includes practically all metals—to serve both the defense program and a vastly expanded output of consumer goods. In

fact, there is not going to be enough of most metals to maintain both the defense program and our normal production of consumer goods.

Faced with this situation there are a number of solutions which will go part way to meet the deficiencies.

U. S. has been a wasteful nation

First, there is conservation. The United States has been for many years

the most extravagant wasteful nation on earth because we are so rich in resources that we could afford to use things until they are partly worn out, throw them away, and replace them with new products. Vast quantities of the materials we normally toss on the dump heaps can be reclaimed and used over again. For the first time in our history conservation must and will become a byword.

Secondly, there is substitution. Right now we are at the beginning of an ersatz program of our own. There is much that can be done in this field, but it must

(Continued on page 19)

Auto committee formed; defense load on car makers may triple, says Knudsen

Establishment of an Automotive Defense Industry Advisory Committee was announced July 3, by the OPM after a meeting with representatives of 34 manufacturers of passenger cars, trucks, buses, taxicabs, and fire-fighting equipment.

The meeting was called last week by OPM in a telegram which said in part: "It is now apparent that further curtailment will be necessary partly because of shortages of critical materials and partly because it is necessary to devote your resources, management, technicians, skilled workers, and machine tools increasingly to the defense program."

19 members on committee

The Automotive Defense Industry Advisory Committee will be made up of 19 members, 11 representing the passenger car, truck, bus, taxi, and fire-equipment manufacturers, and 8 representing the makers of automotive parts and components. Of the 11 members representing the passenger car and truck companies, 1 member each will be chosen from the General Motors, Ford, and Chrysler organizations and 4 from the following 6 companies: Willys-Overland, Crosley, Hudson, Nash, Studebaker, and Packard. The remaining 4 will be chosen from among 25 companies exclusively engaged in the manufacture of trucks and buses.

Members of the committee will represent the industry as a whole, and in each case nominees must be cleared by the bureau of clearance of Defense Industry Advisory Committees.

Associate Director General Hillman

announced that a Labor Advisory Committee, members of which will be selected from labor organizations in the automotive field, is being planned to advise OPM on all problems in the automotive industry affecting labor.

Divisions of Production, Purchases, Priorities, and Labor of the Office of Production Management, the War Department, Navy Department, Defense Loan Administrator, Interstate Commerce Commission, Public Roads Administration, and other governmental departments and agencies also were represented at the meeting.

Load may be tripled

Governmental representatives explained that rapidly mounting national defense requirements and the necessity of accumulating Government stockpiles of strategic and critical raw materials, made it essential to establish an industry committee and various subcommittees to advise with the Government on industry problems, including a greater curtailment of automobile production than is involved in the 20-percent reduction announced April 17.

OPM Director General Knudsen and Associate Director General Hillman both addressed the meeting. Mr. Knudsen told those present at the meeting that the automotive industry would be called upon to carry an increasing burden of national defense work, possibly as much as three times the amount it has now undertaken. Defense contracts already placed with the industry total approximately 2 billion dollars.

South asked to cut electricity use, keep aluminum plants working full blast

Director General Knudsen and Associate Director General Hillman, OPM, on July 2 called on the people of the South to cut down their use of electricity so that more power would be available for aluminum production. Text of the message follows:

On May 27, 1941, President Roosevelt proclaimed a state of unlimited national emergency.

A job we can do

We are now engaged in a titanic national effort to place our military, naval, air, and civilian defenses in readiness for any danger. To do so requires the production of military materials on a scale new in history. This is the kind of production job at which America leads the world. It is the kind of job we can do—and we will do.

But, it is a big job. It can only be done by the greatest efforts of *all Americans* working to promote the Nation's safety *all the time*.

Every section must sacrifice

There is only one sure way in which we can meet our responsibilities. That is to look on defense as our first job—coming before anything else.

All through the Nation, people are being called on to make sacrifices for the national welfare.

Citizens of every section are being called on to carry their share of effort and sacrifice. But for the citizens of the Southeastern States, there is a special job—that job is the production of *aluminum*.

Aluminum is a vital ingredient of modern warfare. It is needed for the construction of airplanes and warships, and for many other kinds of defense equipment. But most of all for planes and ships.

Every pound of aluminum now produced in America is being used for defense. And over half of our national supply is made in the South.

New power plants rushed

To meet defense needs the Office of Production Management has already arranged to increase aluminum producing facilities manifold. We have asked both public and private agencies to rush the construction of new electric power plants.

But even that is not enough. While the new power plants are building, production must go on. And so the Office of Production Management is joining with the Federal Power Commission in calling equally on the public and private power systems and their customers to cut down or rearrange their normal, peacetime use of electricity in order to keep the aluminum plants working full blast—and also meet the urgent needs of southern steel plants, shipyards, munitions factories, air fields, cantonments and many other undertakings which are essential to public welfare and national defense.

For every kwh, one pound

If individual savings seem insignificant, remember this: Every kilowatt hour saved makes possible the production of one more pound of aluminum. Multiply that saving by the number of electric users and you will have millions of pounds of new aluminum available for defense. In every home, store, office, and factory, your contribution to the defense program can be a vital one.

To make the required saving calls for a self-denial and sacrifice by millions of people. *But it is a small price to pay when America's security is at stake.*

Here is an opportunity for service to the Nation. By saving electricity now you will be doing your part to make America safe.

Letter to power systems

Following the issuance of the message from Director General Knudsen and Associate Director General Hillman, William L. Batt, Deputy Director of Production, sent a letter to the public and private power systems of the South, in which he said, in part:

"The effectiveness of this appeal is contingent upon the full and efficient cooperation of all power systems, public and private, in this area.

Release energy for defense

"The Office of Production Management endorses the Federal Power Commission's efforts to conserve power in this region and requests you to release as much energy as possible for defense industries and activities, whether on your own lines or elsewhere in the area. Such cooperation may require rearrangement of your system load, utilization of idle

capacity at nights and on week-ends and the curtailment of nonessential uses of electricity.

"New generating plants and transmission lines are under construction, but other action is also necessary. Time is vital to the defense effort. Therefore we trust that your organization, working in cooperation with your customers and with neighboring power systems, will undertake immediately such steps as may be feasible to make available to defense industry the maximum production of existing facilities.

"This letter is being sent to the Florida Power and Light Co., Florida Public Service Co., Duke Power Co., Carolina Aluminum Co., New Orleans Public Service, Inc., Mississippi Power Co., Louisiana Power & Light Co., Georgia Power & Light Co., Georgia Power Co., Florida Power Corporation, Alabama Electric Cooperative, Alabama Power Co., Tennessee Valley Authority, and the Cincinnati Gas & Electric Co."

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Power Commission orders interconnections in Southeast

The Federal Power Commission on July 1 followed its broad declaration of a power emergency in the Southeast by ordering a series of interconnections among power companies, municipal plants, and REA cooperatives. The purpose of the interconnections is to bolster power supply for essential southeastern defense industries, including new aluminum plants in North Carolina, Alabama, and Arkansas, jointly recommended by the Commission and the OPM, through strengthening the 17-State power pool initiated by the Commission a month ago.

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POWER PRODUCTION

The Federal Power Commission has announced that the total production of electric energy for public use during May was 13,290,609,000 kilowatt-hours, of which 4,223,328,000 kilowatt-hours, or 32 percent, were produced by water power. The average daily production of electric energy for public use was 428,729,000 kilowatt-hours during May, which is an increase of 1.5 percent when compared with the average daily production in April 1941 and is an increase of 16.3 percent when compared with the same month of the previous year.

Plans announced for nonprofit collection of used aluminum ware for defense needs

Completion of plans to turn the Nation's used aluminum coffee pots and frying pans into airplane parts and other needed items in the defense program was announced July 1 by Robert E. McConnell, chief, Conservation Section, OPM.

The plans were devised to eliminate any profit from the collection of used aluminum ware from the Nation's households, July 21-29, inclusive.

The campaign is under the joint supervision of Director General Knudsen, OPM, and F. H. LaGuardia, Director, Office of Civilian Defense.

Director LaGuardia has asked Governors and mayors of larger cities to see that committees are set up in every community in the country to make a house-to-house canvass and gather up all used or discarded aluminum ware households can spare without making replacements.

Under OCD direction aluminum collected will be deposited in public bins in prominent locations—such as on city hall or courthouse steps.

The OPM handles the aluminum from that point on.

Procedure for disposition

Mr. McConnell outlined the following procedure covering disposition.

Local committees will add a disposition division to the organization already suggested by Director LaGuardia for the collection.

The local committee chairman will be responsible for arranging a police guard for aluminum once it has been centrally deposited.

The local committee chairman is to keep a record of the gross weight of aluminum collected, and the net weight of aluminum shipped to the smelters, but, of course, he may delegate those duties.

A statement of these weights will be sent by the local committee chairman to the Division of Information, OEM, room 5525, Social Security Building, Washington, D. C.

When the aluminum is collected, the local committee chairman will offer the aluminum for sale directly to a smelter having a defense preference rating.

The smelter will then contact one or more waste material dealers in or near the vicinity, requesting them to accept the materials delivered by the local committee.

The designated waste dealer will then prepare the scrap under National Associ-

ation of Waste Material Dealers specifications, and arrange for shipment to the smelter.

Not a profit-making scheme

Waste material dealers at a recent special meeting in Washington agreed not to make any profit out of the donated aluminum, and offered their services and facilities without cost. However, they will be reimbursed for actual labor or other expense in handling.

Upon acceptance by the smelter of the material, settlement will be made, less dealer's cost, at prices already fixed by the OPACS.

The smelter will settle by check, payable to National Scrap Aluminum Fund, and mailed to the Federal Reserve Bank of Richmond, Va.

Copies of the settlement voucher will be mailed to Division of Information, OEM, room 5525, Social Security Building, Washington, D. C.

The voucher will show the amount of aluminum received, the rate at which it was paid for, the amount paid dealers for cost, and the total amount remitted to the fund.

The entire proceeds will be devoted to civilian defense, under plans to be announced later by Director LaGuardia.

The following is a list of secondary smelters to which the aluminum may be sold. This list may be changed from time to time:

Aluminum Smelting & Refining Co., Maple Heights, Ohio; Apex Smelting Co., Chicago, Ill.; Aurora Refining Co., Aurora, Ill.; Barth Smelting Corporation, New York, N. Y.; Berg Metal Co., Los Angeles, Calif.; Cleveland Electro Metals Co., Cleveland, Ohio; L. A. Cohn Bros., Inc., Chicago, Ill.; Electric Refractories & Alloy Corporation, Lackawanna, N. Y.; Federated Metals Division, Detroit, Mich.; American Smelting & Refining Co., Los Angeles, Calif.; American Smelting & Refining Co., Barber, N. J.; American Smelting & Refining Co., St. Louis, Mo.; American Smelting & Refining Co., San Francisco, Calif.; American Smelting & Refining Co., Whiting, Ind.; General Smelting Co., Philadelphia, Pa.; Hamden Smelting Co., Hamden, Conn.; Henning Bros. & Smith, Inc., Brooklyn, N. Y.; M. H. Holtzman Metal Co., St. Louis, Mo.; William F. Jobbins, Inc., Aurora, Ill.; H. Kramer & Co., Chi-

cago, Ill.; R. Lavin & Sons, Inc., Chicago, Ill.; Michigan Smelting & Refining Co., Detroit, Mich.; National Smelting Co., Cleveland, Ohio; Niagara Falls Smelting & Refining Co., Buffalo, N. Y.; North American Smelting Co., Philadelphia, Pa.; Rochester Smelting & Refining Co., Rochester N. Y.; Stanley Chemical Co., East Berlin, Conn.; U. S. Reduction Co., East Chicago, Ind.

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Two dams to furnish power for third of aluminum increase

Grand Coulee Dam in Washington State, and Boulder Dam in the Pacific Southwest, projects of the Bureau of Reclamation, will furnish power for the defense production of more than one-third of the 600,000,000 pounds of additional aluminum production planned by the Office of Production Management beginning in 1942.

This contribution to the national defense program has been made possible by the speed-up of the generation schedules undertaken months ago in anticipation of defense demands, Commissioner John C. Page reported to Secretary of the Interior Harold L. Ickes. Additional generators are being rushed for both the Coulee and Boulder projects.

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Aircraft section chief to leave for England

Merrill C. Meigs, chief of the aircraft section, OPM, will leave shortly for England to visit aircraft plants and confer with British aircraft production officials.

He will make the trip at the invitation of J. T. C. Moore-Brabazon, British Minister of Aircraft Production.

Mr. Meigs' purpose is to exchange ideas and arrange for better coordination of aircraft output. He will be in England several weeks.

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Army aviation cadets must be citizens 10 years

Army Aviation Cadets must have been American citizens for 10 years preceding their appointment to the Air Corps under a new War Department regulation made public June 21.

President creates, within OEM, an Office of Scientific Research and Development

By Executive Order dated June 28, President Roosevelt created, within the Office for Emergency Management, the Office of Scientific Research and Development. Dr. Vannevar Bush was appointed as Director. The order creating the old National Defense Research Committee, of which Dr. Bush was chairman, was revoked. Text of the order creating the new office follows:

EXECUTIVE ORDER

ESTABLISHING THE OFFICE OF SCIENTIFIC RESEARCH AND DEVELOPMENT IN THE EXECUTIVE OFFICE OF THE PRESIDENT AND DEFINING ITS FUNCTIONS AND DUTIES

By virtue of the authority vested in me by the Constitution and the statutes of the United States, and in order to define further the functions and duties of the Office for Emergency Management with respect to the unlimited national emergency as declared by the President on May 27, 1941,¹ for the purpose of assuring adequate provision for research on scientific and medical problems relating to the national defense, it is hereby ordered:

1. There shall be within the Office for Emergency Management of the Executive Office of the President the Office of Scientific Research and Development, at the head of which shall be a Director appointed by the President. The Director shall discharge and perform his responsibilities and duties under the direction and supervision of the President. The Director shall receive compensation at such rate as the President shall determine and, in addition, shall be entitled to actual and necessary transportation, subsistence, and other expenses incidental to the performance of his duties.

To help mobilize personnel

2. Subject to such policies, regulations, and directions as the President may from time to time prescribe, and with such advice and assistance as may be necessary from the other departments and agencies of the Federal Government, the Office of Scientific Research and Development shall:

a. Advise the President with regard to the status of scientific and medical research relating to national defense and the measures necessary to assure continued and increasing progress in this field.

b. Serve as the center for the mobilization of the scientific personnel and resources of the Nation in order to assure maximum utilization of such personnel and resources in developing and applying the results of scientific research to defense purposes.

c. Coordinate, aid, and, where desirable, supplement the experimental and other scientific and medical research activities relating to national defense carried on by the Departments of War and Navy and other departments and agencies of the Federal Government.

d. Develop broad and coordinated plans for the conduct of scientific research in the defense program, in collaboration with representatives of the War and Navy Departments; review existing scientific research programs formulated by the Departments of War and Navy and other agencies of the Government, and advise them with respect to the relationship of their proposed activities to the total research program.

e. Initiate and support scientific research on the mechanisms and devices of warfare

with the objective of creating, developing, and improving instrumentalities, methods, and materials required for national defense.

f. Initiate and support scientific research on medical problems affecting the national defense.

g. Initiate and support such scientific and medical research as may be requested by the government of any country whose defense the President deems vital to the defense of the United States under the terms of the Act of March 11, 1941, entitled "An Act to Promote the Defense of the United States"; and serve as the central liaison office for the conduct of such scientific and medical research for such countries.

h. Perform such other duties relating to scientific and medical research and development as the President may from time to time assign or delegate to it.

To use available Government facilities

3. The Director may provide for the internal organization and management of the Office of Scientific Research and Development and may appoint such advisory committees as he finds necessary to the performance of his duties and responsibilities. The Director shall obtain the President's approval for the establishment of the principal subdivisions of the agency and the appointment of the heads thereof.

4. In carrying out its functions, the Office of Scientific Research and Development shall utilize the laboratories, equipment, and services of governmental agencies and institutions to the extent that such facilities are available for such purposes. Within the limits of funds appropriated or allocated for purposes encompassed by this Order, the Director may contract with and transfer funds to existing governmental agencies and institutions, and may enter into contracts and agreements with individuals, educational and scientific institutions (including the National Academy of Sciences and the National Research Council), industrial organizations, and other agencies, for studies, experimental investigations, and reports.

5. The Director is authorized to take over and carry out the provisions of any contracts which fall within the scope of this Order heretofore entered into by (1) the National Defense Research Committee, established by order of the Council of National Defense on June 27, 1940;² (2) the Health and Medical Committee, established by order of the Council of National Defense on September 19, 1940;³ and (3) the Federal Security Administrator in his capacity of Coordinator of Health, Medical, Welfare, Nutrition, Recreation, and other related activities as authorized by order of the Council of National Defense on November 28, 1940. The Director is further authorized to assume any obligations or responsibilities which have heretofore been undertaken by the above agencies for and on behalf of the United States Government and which fall within the scope of this Order.

6. There is created within the office of Scientific Research and Development an Advisory Council consisting of the Director as Chairman, the Chairman of the National Advisory Committee for Aeronautics, the Chairman of the National Defense Research Committee (hereinafter described), the Chairman of the Committee on Medical Research (hereinafter described), one representative of the Army to be designated by the Secretary of War, and one representative of the Navy to be designated by the Secretary of the Navy. The Council shall advise and assist the Di-

rector with respect to the coordination of research activities carried on by private and governmental research groups and shall facilitate the interchange of information and data between such groups and agencies.

7. There shall be within the Office of Scientific Research and Development a National Defense Research Committee consisting of a chairman and three other members appointed by the President, and in addition the President of the National Academy of Sciences, the Commissioner of Patents, one officer of the Army to be designated by the Secretary of War, one officer of the Navy to be designated by the Secretary of the Navy, and such other members as the President may subsequently appoint. The National Defense Research Committee shall advise and assist the Director in the performance of his scientific research duties with special reference to the mobilization of the scientific personnel and resources of the Nation. To this end it shall be the responsibility of the Committee to recommend to the Director the need for and character of contracts to be entered into with universities, research institutes, and industrial laboratories for research and development on instrumentalities of warfare to supplement such research and development activities of the Departments of War and the Navy. Furthermore, the Committee shall from time to time make findings, and submit recommendations to the Director with respect to the adequacy, progress, and results of research on scientific problems related to national defense.

Committee on Medical Research

8. There shall be within the Office of Scientific Research and Development a Committee on Medical Research consisting of a Chairman and three members to be appointed by the President, and three other members to be designated respectively by the Secretary of War, the Secretary of the Navy, and the Administrator of the Federal Security Agency. The members so designated by the Secretaries of War and Navy and the Federal Security Administrator shall be selected from the respective staffs of the Surgeons General and the Surgeon General of the Public Health Service with particular reference to their qualifications in the field of medical research. The Committee on Medical Research shall advise and assist the Director in the performance of his medical research duties with special reference to the mobilization of medical and scientific personnel of the nation. To this end it shall be the responsibility of the Committee to recommend to the Director the need for and character of contracts to be entered into with universities, hospitals, and other agencies conducting medical research activities for research and development in the field of the medical sciences. Furthermore, the Committee shall from time to time, on request by the Director, make findings and submit recommendations with respect to the adequacy, progress, and results of research on medical problems related to national defense.

9. The members of the Advisory Council, the National Defense Research Committee, the Committee on Medical Research, and such other committees and subcommittees as the Director may appoint with the approval of the President shall serve as such without compensation, but shall be entitled to necessary and actual transportation, subsistence, and other expenses incidental to the performance of their duties.

10. Within the limits of such funds as may be appropriated to the Office of Scientific Research and Development or as may be allocated to it by the President, the Director may employ necessary personnel and make provision for necessary supplies, facilities, and services. However, the Director shall use such statistical, informational, fiscal, personnel, and other general business services and facilities as may be made available to him through the Office for Emergency Management.

¹ 5 FR. 2617.

² 5 FR. 2446.

³ 5 FR. 3831.

MEDIATION BOARD . . .

North American Aviation case closed; strikes postponed in two new disputes

The National Defense Mediation Board last week (June 30-July 6) closed the North American Aviation case after the company had accepted its recommendations; drew up recommendations in two other cases, and obtained postponement of threatened strikes in two new cases certified during the week.

To date the Board has received certification of 47 cases. In 45 of these, involving 700,343 workers, the men have either returned to work as a result of agreements or postponed threatened strikes at the request of the Board. Of the remaining two cases, one was returned to the Secretary of Labor as outside the Board's jurisdiction, and the second is pending.

North American Aviation Co.

On Tuesday, July 1, North American Aviation, Inc., accepted the Board's recommendation for settling the union security issue in its dispute with the UAW-CIO. All other issues had been settled by agreement between the parties, and on the one remaining point in dispute the Board had made the following recommendation: "The Company agrees that any present employee who on May 1, 1941, was a member of the union or who has become a member of the union since May 1, 1941, shall as a condition of continued employment maintain membership in good standing; and any employee who hereafter, during the life of this agreement, becomes a member or is reinstated as a member of the union shall as a condition of continued employment maintain membership in good standing."

The agreement between the parties called mainly for a 10 cents an hour wage increase and a graduated scale for trainees, starting at 60 cents and increasing 5 cents automatically every 4 weeks until 75 cents is reached. It also called for immediate classification of all jobs, such classification not to increase wages more than an average of 2 cents per hour per employee. No one's wage is to be reduced as a result.

Representatives of the union flew to Inglewood, Calif., on June 30, and, within a few hours after the company had accepted the Board's recommendation on union security, polling of the membership on the terms of the contract began and resulted in an overwhelming acceptance.

Western Cartridge Co.

In accordance with a request by the Board, the Western Cartridge Co. of Alton, Ill., informed the Board on Thursday, July 3, that it would accept the Board's recommendation in the company's dispute with the Chemical Workers Union, AFL. The recommendation called upon the company to "bargain in good faith with the chemical workers as the exclusive representative of the employees in the unit certified by the National Labor Relations Board as appropriate."

In his reply to the company's letter accepting the recommendation, William H. Davis, chairman of the Board, pointed out in part that "the Mediation Board expresses no opinion as to whether by such bargaining as the Board recommends your company waives or retains any supposed legal rights to a court review of the decision of the National Labor Relations Board."

In accordance with a request in this message, negotiations were opened July 5, and the union called off a strike which was set for the next night.

Sealed Power Corporation

After two days of negotiations before the Board, it became apparent that the dispute between the Sealed Power Corporation, Muskegon, Mich., and the UAW-AFL could not be settled by an agreement and the Board announced that it would make recommendations. The recommendations were drawn up late last week and were to be made public some time this week, after the union representatives have had an opportunity to discuss the terms with their membership.

Pittsburgh Teamsters

The International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers, AFL, was unable to reach an agreement with 189 trucking concerns in Pittsburgh after two days of hearings before the Board. The parties returned to Pittsburgh after agreeing to arbitrate wages, vacations, arbitration machinery in the contract, and several other minor points. They selected the panel of the Board as arbitrator and agreed to abide

by whatever decision was reached. The Board's decision was to be made some time this week.

New cases

In the two new disputes certified last week, the Board succeeded in obtaining postponement of threatened strikes while the cases were before it. The first is a dispute between the Federal Shipbuilding Corporation of Kearny, N. J., and the Industrial Union of Marine and Shipyard Workers of America, CIO, over demands for union recognition for foremen and supervisors, union shop, vacations and improved grievance machinery. The dispute involves 16,000 men. A strike threatened for midnight July 1 was postponed at the request of the Board. Hearings were to open July 8.

The second case is a dispute between the Cheney Bros., of South Manchester, Conn., and the Textile Workers Union of America, CIO, over wages, vacations, and closed shop issues. The company manufactures parachute fabrics and machine parts for plane factories, and employs 2,300 men. Hearings were to begin in the case on July 8.

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North American plane plant returned to private operation

By Executive order dated July 2, President Roosevelt directed the Secretary of War to return to Inglewood, Calif., plant of North American Aviation, Inc., to private operation. The Army took control of the plant by Presidential order on June 9, after other efforts to terminate a strike were unsuccessful.

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GOVERNMENT SEEKS EXECUTIVES

The Civil Service Commission has announced examinations for filling five grades of administrative positions, mostly in national defense agencies, as follows: Executive Officer, \$8,000; Chief Administrative Officer, \$6,500; Principal Administrative Officer, \$5,600; Senior Administrative Officer, \$4,600; and Administrative Officer, \$3,800 a year. Positions at these levels are the very highest ordinarily filled through civil service. The standard of requirements is correspondingly high.

PRIORITIES . . .

Compliance Section created to act on violations and educate industry

E. R. Stettinius, Jr., Director of Priorities, announced July 7 the creation of a Compliance Section within the Priorities Division. The section will investigate and take appropriate action in cases involving noncompliance or violation of priority orders.

Efforts will be made to obtain voluntary compliance in all cases, but punitive action can and will be taken if necessary, so that the great majority of producers, who cooperate freely and willingly, will not be penalized by the unfair activities of a few who refuse to cooperate.

In the event that efforts to obtain voluntary cooperation fail, action which may be taken includes public statements as to violations or evasions which have taken place; restriction of supplies of critical materials until compliance is assured; court action to require compliance.

To supervise variety of cases

The Compliance Section will control and supervise compliance cases arising through complaints from within OPM, from within the armed Services, and from industry and the public.

Within the Washington office of the Priorities Division, all complaints of non-compliance with orders or certificates will be referred to the Compliance Section and will thereafter be handled under its supervision. Provision will be made for consultation and advice with industry groups and committees.

Complaints arising in the field will be handled as far as possible by field representatives, who will follow established compliance methods.

To spread information

It will be the responsibility of the Compliance Section to see that industry is well informed on compliance matters and to promote not only understanding but a willingness to comply.

This will be carried out as far as is practicable through the agency of the Priorities field service, and also by means of public talks, by contact with the "priority specialists" in the large defense production companies, the education in priority matters of trade association executives, and by other means.

Experience with existing orders will be used as a basis for making policy suggestions concerning the form of new orders.

Cooperation with the Army and Navy Munitions Board Priorities Committee, field inspectors of the Services, and other Government agencies in compliance matters is a function of the Compliance Section.

Six new field offices opened to advise businessmen on operation of priorities

Opening of six new field offices of the Priorities Division, OPM, was announced July 1 by Director Stettinius. E. G. Laird, Jr., and L. Edward Scriven, assistant deputy directors of the Division, will be in charge of these field offices, as well as activities in the other four field offices opened recently.

The following new offices opened July 1:

St. Louis, Mo.—Louis E. Crandall, district manager, at one time was vice president of the Wickwire Spencer Steel Corporation in New York, and more recently was president of the Simmons Hardware Co., St. Louis, from which position he resigned early this year.

V. L. Board at Denver

Denver, Colo.—V. L. Board, district manager. Mr. Board, an electrical engineer, is a member of the Denver Planning Commission and chairman of the Industrial Development Committee of the Denver Chamber of Commerce.

Detroit, Mich.—Walter Hall, district manager, has served in engineering and sales departments of the General Electric Co., Timken Roller Bearing Co., Dodge Bros., and the Cadillac Motor Car Co. He served in France during the World War as a Coast Artillery captain, was commissioned in the Ordnance Department of the Army in 1940, and was stationed at the Ravenna Ordnance Plant, Ravenna, Ohio.

W. T. Walker at Cleveland

Cleveland, Ohio.—W. Thomas Walker, district manager, has had wide experience in the automotive field. Since 1931 he has been engaged in sales and production work, most of the time in aluminum foundries.

Dallas, Tex.—J. Burke Crockett, district manager, has been a civil engineer

and a general contractor. From 1911 to 1914 he served as assistant professor of civil engineering in Texas A. & M. College. From 1914 to 1939 he operated his own contracting business and worked with other contractors in Tennessee, Oklahoma, and Texas, constructing roads, bridges, foundations, levees, and drainage systems.

It will be the policy of the section, with the aid of the Priorities field service, to educate and instruct industry by suggesting uniform standards of compliance with orders of the Priorities Division.

L. J. Martin, who is in charge of the Inventory Control Section, operating under General Metals Order No. 1, will assume new duties as head of the Compliance Section and will continue as chief of Inventory Control.

C. F. Cruciger at Pittsburgh

Pittsburgh, Pa.—Charles F. Cruciger, district manager, and a native of Lynchburg, Va., for 25 years was associated with Spang, Chalfant & Co., Inc., of Pittsburgh, manufacturers of steel pipe. He lives in Pittsburgh and has been closely associated with civic activities in and around that city.

All the district offices may be reached through Federal Reserve Banks in the cities named.

The district managers will be available to aid businessmen and manufacturers who need information or advice in connection with the operations of the priorities system.

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Walter S. Tower resigns

Walter S. Tower has resigned from the Office of Production Management in conformity with the policy recently adopted making employees of trade associations ineligible for employment as members of the OPM organization.

Mr. Tower is president of the American Iron and Steel Institute. He joined the staff of the National Defense Advisory Commission last summer, in the Industrial Materials Division, and early this year, after creation of OPM, was appointed producer's representative on the iron and steel priority committee of the Priorities Division.

Galvanizers redistilling zinc are classed as producers

Priorities Director Stettinius issued a statement July 2 pointing out that galvanizers who redistill zinc dross or skimmings are producers under the terms of the zinc priority order (M-11) and, as such, are subject to all the terms and requirements of that order, including the requirements for setting aside certain specified amounts of metal for emergency allocation by the Priorities Division.

Mr. Stettinius said that some galvanizers, who redistill their own dross and skimmings to recover the metal, have assumed that they are not producers under the terms of the order.

This assumption is incorrect, said Mr. Stettinius, pointing out that producers under the order are defined as: "Any person producing zinc as hereinbefore defined; and also, for the purposes of this Order, 'Producer' includes any person who produces such zinc for others under toll agreement."

Zinc is defined in the order as: "All grades of metallic zinc (spelter) produced directly from ores, concentrates, and other primary material or redistilled from scrap, including dross, skimmings, and ashes; all zinc oxide both lead-free and leaded; and zinc dust."

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Zinc control order changed

Several changes in the order imposing mandatory industry-wide control on zinc were announced June 30 by Priorities Director Stettinius.

One of the changes provides that a producer, although he must set aside a specified amount for emergency allocation by the Director of Priorities, may make full deliveries of minimum quantities (minimum carload lots in the case of metallic zinc, and 2,000 pounds in the case of zinc oxide or zinc dust) so long as these deliveries do not interfere with the fulfillment of defense orders.

Must file affidavits

Other changes provide that customers for zinc must file affidavits with their suppliers, stating that customers are not increasing inventories to unnecessary levels; that producers must also file affidavits with the OPM stating their intention to report to the Priorities Division nonobservance of the order on the part of customers.

Limited blanket preference extended to 450 builders of machine tools

A new order designed to speed up production of vitally needed machine tools was announced July 2 by Priorities Director Stettinius.

The new order, which takes the place of the previous machine-tool order (P-2) issued on March 26, extends limited blanket preference ratings to approximately 450 builders of machine tools and similar metal-working equipment.

The machine-tool builders must agree in writing to the terms of the order before they can use the ratings to speed up deliveries of materials going into their manufactured equipment.

Subcontractors may extend rating

The new order provides a number of changes.

One change provides that subcontractors of machine-tool builders may also extend the rating to their own suppliers. The old order did not permit subcontractors to extend preference ratings automatically.

Another change in the order is the provision of various ratings—A-1-a, A-1-b, or A-1-c—to various companies. The old order provided only one rating, A-1-a, which was applicable to all the machine-tool builders covered. The new

order varies ratings because of the necessity of giving each company a rating which is appropriate for the urgency of its work.

It is also provided in the new order that the machine-tool builder using a limited blanket rating can extend it only to obtain equipment going into certain specified machines which he is producing.

Equipment for ratings listed

Equipment to which the new ratings can be extended is specifically listed in the order as follows:

Motors and other electrical equipment; alloy steels in bars, forgings, castings and tubes; iron, steel, and aluminum castings; machine parts and equipment; cutting tools, including cemented carbides; abrasives; measuring instruments and gages; brass, copper, and steel tubing and fittings; oil resisting hose; foundry supplies consisting of steel rail and other steel scrap, silvery pig iron, regular pig iron, coke, ferro-silicon, ferro-manganese, vanadium, nickel, molybdenum, chromium.

The explanatory letter which accompanied the order requested manufacturers to refer any questions about scope or interpretation to the tool and equipment group, Priorities Division, Social Security Building, Washington, D. C.

Steel forms changed

A revision of forms PD-32 and PD-32a, used in connection with General Steel Preference Delivery Order No. 1, was announced June 4 by Director Stettinius.

The revised forms, especially PD-32, are more detailed than the previous ones.

Customers of producers of iron and steel products, if unable to place an order satisfactorily, or if their orders are unduly delayed, may bring the matter to the attention of the Priorities Division by filling out form PD-32.

If the Priorities Division feels that the case justifies such action, it will then send the producer involved form PD-32a, requiring the producer to fill out another form, explaining why the customer's order was delayed or rejected.

The General Steel Preference Delivery Order No. 1 is designed to facilitate the delivery of iron and steel products to defense and essential civilian customers.

Lewis heads rubber section

Appointment of Ben W. Lewis, professor of economics at Oberlin College, as price executive in charge of the rubber and rubber products section, Office of Price Administration and Civilian Supply, was announced July 2 by Dr. J. K. Galbraith, assistant administrator in charge of the Price Division.

Dr. Lewis, who is on leave from Oberlin, has specialized in the economics of prices. Until his latest appointment he was chief economist in the Consumer Division of OPACS and previously was chief economist of the Consumers' Counsel Division of the Department of the Interior. During the NRA, Dr. Lewis was code supervisor of the Consumers' Advisory Board.

In 1935 and 1936 he spent 12 months in England on a Social Science Research Council fellowship as a student of price and production control in British industry.

Priorities summary for first half of 1941

E. R. Stettinius, Jr., Director of Priorities, issued July 3 the following summary of priority action during the first half of 1941:

INDUSTRY-WIDE CONTROL

The Priorities Division is administering orders which impose industry-wide mandatory control on, and regulate the distribution of, 14 materials and classes of materials—aluminum, magnesium, nickel, nickel-steel, ferro-tungsten, tungsten high-speed steel, machine tools, synthetic rubber, copper, cork, borax, polyvinyl chloride, zinc, and rubber.

All the orders pertaining to these materials are in the "M" series, except for the special order (E-1), regulating the distribution of machine tools. They are designed primarily to regulate and allocate the distribution of raw materials. The orders vary in detail, but the fundamental purpose is always the same—to put defense requirements uncompromisingly ahead of other needs.

INVENTORY CONTROL

In addition to the materials under industry-wide mandatory control, the Priorities Division exercises a mild form of inventory control over 15 metals and classes of metals—antimony, cadmium, chromium, cobalt; ferrous alloys, all types; iridium; iron and steel products, including rolled, drawn, forgings, castings, and pig iron; lead, manganese or Spiegeleisen, mercury, molybdenum; nonferrous alloys, all types; tin, vanadium, and secondary materials, or scrap, containing any of the metals listed herein or any metals already subject to an order of the Director of Priorities, prepared for sale in order to recover the metal content thereof.

This form of inventory control is provided in General Metals Order No. 1, which requires suppliers of these metals, in semiprocessed or premanufactured form, to file a statement of compliance once with the Priorities Division, and also requires customers for these metals in semiprocessed or premanufactured form to file monthly statements of compliance with their suppliers.

These monthly statements declare that the customer has received no deliveries of any of the materials specified, during the previous calendar month, which increase his inventories over the quantities necessary, on the basis of his usual method and rate of operation, to meet his required deliveries efficiently.

These two forms of control, therefore—industry-wide mandatory control and inventory control—cover 29 materials and classes of materials.

STEEL

Steel is in a special class. Iron and steel products are on the Priorities Critical List, subject to inventory control and also subject to the General Steel Preference Delivery Order No. 1.

The General Steel Preference Delivery Order is designed to assure the fulfillment of defense orders ahead of nondefense orders. It provides that a customer for iron and steel products who is unable to place an order satisfactorily, or who has his order unduly delayed, may bring this to the attention of the Priorities Division on a special form. The Division will then require the supplier involved to explain the delay or the rejection.

Upon the basis of information thus obtained, the OPM will take whatever action is necessary to expedite the delivery of iron and steel products for defense or essential civilian purposes.

PRIORITIES CRITICAL LIST

In addition to the 29 items controlled directly by the Priorities Division, the Priorities Critical List contains approximately 300 items and classes of items (most of them military in character but some of them raw materials) on which Army and Navy orders can automatically be given priority. The Priorities Critical List is maintained by the Priorities Division so that an authorized Army or Navy contracting officer, in awarding a contract for any of the items listed, may assign a preference rating to that contract if this is necessary in order to obtain the desired material in the necessary quantities and on the required delivery date. Although some of these 300 items are under industry-wide control, most of them are subject to control only in the sense that Army and Navy orders can automatically be granted priority.

BLANKET RATINGS

One of the instruments being used by the Priorities Division to speed defense work is the "limited blanket rating order." This order can be given to a company or companies engaged almost wholly in defense work. Such an order assigns a company one rating which applies to all its contracts or orders for specified scarce materials flowing into defense production.

So far, blanket ratings of this type have been given to (1) machine tool and gage builders, (2) crane builders, (3) certain producers of military airframes, engines and propellers, (4) producers of railroad freight cars, and (5) builders of merchant ships under the Maritime Commission program. Additional ratings of this type will be issued when necessary.

PROJECT RATINGS

The Priorities Division also issues project ratings or "project letters" from time to time. Project ratings are somewhat similar to limited blanket ratings except that they apply to a project—such as a munitions plant, a power plant, or a dam. So far the Priorities Division has issued over 65 project ratings.

INDIVIDUAL CERTIFICATES

In addition to the various instruments already named, the Priorities Division can and does issue individual preference rating certificates when necessary. These individual certificates can be issued to a manufacturer or businessman who has difficulty in obtaining supplies, whether or not his production is purely defense, if his work is important to defense.

Individual preference rating certificates, however, are in the majority of cases issued under the Priorities Critical List by Army and Navy contracting officers. Records of the Army and Navy Munitions Board indicate that about 266,000 certificates and extensions of certificates have been issued by the contracting officers of the armed services so far.

The Priorities Division itself has issued about 9,000 individual preference rating certificates.

DEFENSE SUPPLIES RATING PLAN

The Defense Supplies Rating Plan has been developed to meet the problem of some defense manufacturers who, because they must start production in advance of receiving defense orders, must have aid to secure a steady flow of materials into their plants.

This plan provides for the granting of a preference rating (A-10) to manufacturers who can clearly identify the proportion of their production which is defense work. The A-10 rating applies only to the defense work.

Thus a manufacturer who is engaged 75 percent in defense work, can, if he meets all the requirements, get a preference rating which he may apply to deliveries of 75 percent of his required materials.

So far, nearly 100 concerns have been granted the use of this plan.

TWO CLASSES OF INSTRUMENTS

Mr. Stettinius pointed out that these various instruments fall naturally into two broad classes. In one class are "identification instruments," such as (1) individual preference rating certificates, (2) blanket ratings, (3) project ratings, and (4) the Defense Supplies Rating Plan, which basically are designed to identify orders for materials going into finished defense goods or to indicate the importance of finished goods in the defense program.

In the other sphere are "distribution instruments," such as (1) the raw-material priority orders, (2) the General Metals Order, and (3) the General Steel Preference Delivery Order, which are basically designed to allocate or regulate the distribution of raw materials.

If the production machine is regarded as having a "top" and a "bottom"—the top representing finished goods and the bottom representing raw materials—then it is apparent that the "identification instruments" exercise control from the top (finished goods) and the "distribution instruments" exercise control from the bottom (raw materials).

DEFENSE HOUSING

A plan has been worked out jointly with the Defense Housing Coordinator, Charles F. Palmer, to grant priority status to certain defense housing projects and programs. A new "Defense Housing Critical List" is being developed. The general purpose of this plan is to put specified defense housing activities in a preferential class and thus assure the prompt flow to these projects of critical building materials.

POINTS OF EMPHASIS

During the first half of 1941, the Priorities Division has put increasing emphasis on four points:

Education.—No amount of policing can take the place of understanding cooperation, freely and willingly given.

Inventory control.—Excess inventory buying often makes full priority control necessary before it would otherwise be necessary.

Scheduling.—Proper scheduling is the heart of any sound priority system, and materials should be ordered for delivery when they are required, *not before*.

Substitution.—Critical materials are going to become even scarcer in the future and nondefense producers must switch over to less scarce materials as promptly as possible.

Priority granted for repair, maintenance in 26 civilian industries and services

Priority status for repair and maintenance materials and equipment required for uninterrupted operation of a wide range of industrial processes and public services was assured when the Civilian Supply Allocation Division of the Office of Price Administration and Civilian Supply on July 1 promulgated an allocation program covering such items.

Action was necessitated by growing demands on raw materials as result of the defense program and the priorities granted in connection therewith which have made it difficult for manufacturers of repair and maintenance materials and equipment to fill their orders. Effect will be to assure continued operation of essential industries and services which otherwise might have to curtail because of inability to secure needed repair or maintenance parts.

26 industries and services covered

The program covers 26 industries and services whose continued operation is essential to the public welfare and maintenance of civilian supplies. Other industries will be added when their problems have been analyzed. The program provides that such materials and equipment shall be allocated prior to all other civilian requirements and prior to defense requirements to the extent consistent

with the defense program as determined by the Office of Production Management. Administration and enforcement of the program will be carried out by the OPM.

From rails to parks

The program covers railroads; street railway, subway, elevated, and interurban lines; commercial airlines maintaining regular scheduled service; commercial operation of motor buses—local, interurban and interstate; shipping—including ocean, lake, river and canal commerce; pipe lines—oil and gas; commercial operation of motor trucks; highway maintenance; telephone communication; telegraph communication; radio commercial communication—including commercial broadcasting; electrical energy production and distribution; gas production and distribution—manufactured and natural; water production and distribution; sewer service; petroleum production and refining; food processing and storing; farm equipment employed in farming operations; mining and quarrying; coke converting; metallurgical plants engaged in the production of raw materials; production of chemicals; protective services—fire and police; research—industrial and academic; hospitals, clinics and sanatoria; public buildings, institutions, schools, and parks.

Civilian industries to confer with OPACS on allocation of scarce materials

Conferences with representatives of leading consumers durable goods industries now faced in many cases with severe curtailment of essential raw materials are to be started this week by the Civilian Supply Allocation Division of the OPACS, Administrator Henderson announced July 1.

Purpose of the meetings will be to secure information from the industries involved on their raw material needs, and to work out methods of making civilian allocations consonant with the defense program.

The first meeting was expected to be held with representatives of the refrigerator industry on July 8.

Other industries with which conferences will be held will include such large users of scarce industrial raw materials (mostly metals) as the makers of automobiles, washing machines, oil burners, steel furniture and similar goods.

It will be the policy of the Civilian Supply Allocation Division, once the amounts of scarce materials available for civilian use are ascertained, to allocate sufficient amounts if possible to take care of all essential public services such as transportation, power and health. These uses would include such industries as railroads, electric power, water supply, gas, oil pipe lines, and such other essential needs as food, clothing, and health and safety requirements generally. Action is now being taken for the allocation of materials so far as possible for manufacture of repair parts for public utilities, trucks, automobiles, agricultural machinery and other necessary equipment. Scarce materials will be allocated among other civilian industries in order of need after consideration of such matters as dislocation of labor and effects on manufacturing efficiency.

PRICES AND CIVILIAN SUPPLIES . . .

Furniture industry asked to cooperate with OPACS, discourage "fright" buying

Speaking at the press luncheon of the Chicago Furniture Market July 7, James F. Bogardus, associate price executive, OPACS, stated that "the furniture industry as a whole is going to face many new problems in the near future."

"Economy will soon necessitate the reduction or elimination of new designs," he said, and "the shortage of ocean transportation and the demands of the defense industries will necessitate the elimination of certain woods and metals which have been in common use until recently."

Stronger measures?

Further remarks follow:

Most of you are doubtless familiar with a letter addressed to 47 leading furniture manufacturers which was sent out by the Administrator of the Office of Price Administration. This letter requested the manufacturers not to raise prices without consulting the Administrator and also asks them to quote firm prices. A similar letter is now being sent to all other manufacturers. If these requests are complied with a firm basis of cooperation with this office will have been established. If they are not complied with it will be necessary to turn to stronger measures to achieve these important goals.

Danger in building up inventories

The retailer also has problems which merit careful consideration. Some retailers are attempting to build up considerable inventories in anticipation of future price advances. Such advances are unlikely to occur. The history of the industry also shows clearly the danger of this policy. The amount and character of consumer purchasing is likely to change rapidly and if this happens the dealer with a large inventory will be in a most precarious position.

Frowns on "fright" tactics

I have also heard rumors of increased retail write-ups in areas where consumer demand is great. I trust that these rumors are unfounded. If they are true this situation should be corrected immediately. It will bring consumer reaction which will have a detrimental effect

on the entire industry. Some retailers are also using fright tactics to encourage buying. They are telling the consumer to buy immediately as prices are likely to rise rapidly and certain commodities are likely to become scarce. Such selling methods are directly contrary to national policy and should be stopped immediately.

Face many new problems

The furniture industry as a whole is going to face many new problems in the near future.

Economy will soon necessitate the reduction or elimination of new designs. It may also be necessary to eliminate a certain proportion of old designs. I am sure that such a change would have the approval of the manufacturers. While it may appear to work a hardship on the retailer I believe that he can soon adjust himself to the new condition.

Certain woods to be scarce

The shortage of ocean transportation and the demands of the defense industries will necessitate the elimination of certain woods and metals which have been in common use until recently. Mahogany is getting increasingly scarce and it is probable that none will be available for the furniture industry in the near future. This will make it necessary to concentrate entirely on domestic hardwoods. There are plenty of these available and I believe that the consumer can easily be educated to their use.

Such metals as aluminum, chrome, copper, and others are badly needed by defense industries and it is doubtful whether any will be available for the use of the metal furniture industry. This will make necessary the use of substitute metals and probably a substantial reduction in the production of metal furniture.

As a representative of the Office of Price Administration and Civilian Supply, I am here not only to request that prices be stabilized but also to work with you in solving your problems. By our joint cooperation we can aid the furniture industry to play an important part in our national economy during the critical days which lie ahead.

Automobile maker decides not to raise 1941 model prices

Officials of General Motors Corporation have notified the Office of Price Administration and Civilian Supply that their company will not raise prices on current model automobiles and will meet with OPACS representatives in about 2 weeks to discuss prices on 1942 models. Administrator Henderson stated July 5.

"Setting an example"

"General Motors is setting an example which should be followed by other companies not only in that industry but all others where there is pressure for price increases," Mr. Henderson said. "We can assure any company which evidences a willingness to cooperate with OPACS a fair hearing and an honest appraisal of the facts that they may present. We don't want to put any concern into the red or out of business. We will insist, however, on an opportunity to scrutinize any proposed price increases in the light of actual cost changes and current earning levels."

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Borax allocation extended

Because the total defense and civilian demand continues temporarily to exceed the available supply, the Civilian Supply Allocation Division of the OPACS July 5 extended from July 5 to July 30, 1941, its civilian allocation program for borax and boric acid used in manufacture of borosilicate glass. The original program was issued on June 6, 1941.

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Mobile sales commissary follows troops

Soldiers on maneuvers will now be able to take the comforts of their home posts into the field. The Quartermaster Corps has developed a modern mobile sales commissary that operates with troops on a battlefield, the War Department has announced.

The commissary dispenses cigarettes, toothpaste, razor blades, and 60 other articles approved by the Quartermaster Corps and Medical Corps.

News for Retailers

OPACS Conferences With Consumer Goods Industries

Future retail supplies of consumers' durable goods made in whole or in part of scarce raw materials will be affected by a series of conferences beginning this week between the Civilian Supply Allocation Division of the Office of Price Administration and Civilian Supply and representatives of consumer goods industries which are important users of these materials.

Defense requirements involving industrial raw materials in which there is a shortage, such as certain metals, make it necessary to curtail production of some civilian goods. The OPACS conferences are intended to work out allocation methods for the supplies of such raw materials remaining after military requirements have been met, in order to make provision for goods and services which are essential to civilian health and well-being.

Industry representatives will be asked to make recommendations on the best ways of setting up the program in their particular industries. Where restrictions on raw material supply are necessary, manufacturers will be asked to indicate how they would prefer to see the restrictions applied—for example, in terms of volume of the finished product to be produced, or in terms of supplies of materials to be allocated. If the restriction is preferred in terms of materials, the industry will be asked to suggest procedures for cutting supplies which will be fair to all producers involved.

OPACS will also utilize the conferences to determine past and expected future raw material needs of the industries and to enlist voluntary industry cooperation in the program. On the basis of supplies available, essential civilian requirements and material needs of the different industries concerned, the allocations will subsequently be made. Effects on employment and production efficiency will also be weighed in the determinations.

Among the specific problems to be discussed at the conferences are: Suitable formulas for converting reductions of material supply into reductions of products manufactured; the best distribution of the reduction in output among manufacturers of different capacities and different types of organization and operation; the time schedule of curtailment;

the best geographical distribution of the items to be produced, considering health, climate, substitutes available and other factors; methods of administering the curtailment program; ways of economizing the use of scarce materials; the best distribution of the available products to distributors and consumers.

The information and recommendations made at the conferences will enable OPACS officials to establish machinery for the allocation program. On the basis of the procedures set up for the more important industries, it is expected that allocation machinery will also emerge for lesser commodities involved.

The first conference is being held with the refrigerator industry. This will be followed by meetings with the automobile, washing machine, oil burner and other industries.

Cotton textiles

The importance of cotton textile products in the budget of the average household was a principal consideration in the establishment of ceiling prices for six kinds of cotton grey goods by the OPACS. The wide variety of cotton textile items stocked by the retail trade is a reflection of this important household demand.

The rapid advances of recent months in cotton textile products have not as yet been reflected in retail price levels to any marked extent. A major result hoped for from the price ceilings is that they will head off such advances and make them unnecessary.

OPACS textile price executives point out that it is of great importance for retailers, when buying, to make certain they are not charged with price increases which are not warranted by the schedule. In their own pricing policies, retailers are urged to take extra precautions to avoid increases based on general price advances but which are not matched by corresponding preretail increases in the particular commodity. Such general increases are in direct opposition to OPACS policy.

Price executives in OPACS are repeatedly having their attention called to the price bracket system which is causing much higher advances at the retail level than the cumulative total advance at earlier levels. They point out that if this result continues, it will bring criticism of retailers and possible Government action. For example, when an increase of 1 cent

a yard in the price of print cloth results in an increase of 30 cents in the price of a dollar house dress, there is an inflationary effect out of all proportion to the cost increase.

While the present cotton textile price ceilings do not apply to finished goods, the entire process from mill to consumer is under study by OPACS. Excessive price increases either in fabrics or in finished goods may lead to further OPACS action in the cotton textile field.

Bread

OPACS Administrator Leon Henderson's request of last month that baking companies refrain from advancing bread prices without prior consultation with him has, on the whole, met with an encouraging response from the industry. Most of the baking companies which have replied to the request have signified their willingness to cooperate with OPACS in the effort to prevent unjustified bread price increases. Some independent bakeries, however, while indicating their desire to cooperate, point out that ingredient costs are rising and that they will be faced with a difficult situation if they do not introduce price increases commensurate with rising costs.

Other bread manufacturers have informed OPACS food price executives that they would be in a much better position to avoid price increases if the size of bread loaves were standardized, if stale return allowances were modified, if the practice of a single company's selling at different prices to different dealers were discontinued, and if other reforms were introduced in the industry.

In meeting with manufacturers who consult with OPACS on contemplated bread price increases, OPACS food price executives will seek to maintain prices at the fairest possible level for consumers, while giving consideration to local market conditions, ingredient costs, labor, and freight costs. It is OPACS policy to determine the justification of price increases not alone on the basis of increased costs, but on the basis of a company's earning position in relation to cost advances. It is pointed out that frequently a larger volume of sales resulting from increased consumer purchasing power should mean that a company will be in a position to absorb somewhat higher costs.

Ceiling prices on bread have not been set, as believed in some quarters. However, baking companies will be expected to confer with OPACS before instituting any price advance and to provide a full explanation of the factors behind such contemplated increases.

Community canning, storage, gardening program to increase food for defense

To prevent fruits and vegetables from going to waste this summer, a national effort to promote full use, canning, drying or storage of these foods was announced July 2 jointly by Harriet Elliott, Assistant Administrator of the Office of Price Administration and Civilian Supply, Paul V. McNutt, Coordinator of Health, Welfare and Related Defense Activities, and Claude R. Wickard, Secretary of Agriculture.

Call for community action

A detailed plan has been developed which provides for community action to save quantities of food for immediate or future use which would ordinarily go to waste. It is estimated that substantial addition to the Nation's vital food supply can be made through Nationwide cooperation in this effort.

Leaders in each community are urged to put this plan into operation by doing these three things:

1. Taking stock of the local fruit and vegetable surpluses and the time they may become available.
2. Planning distribution of surpluses in fresh or preserved form through such methods as school lunches and playground lunch programs, community kitchens, etc.
3. Making arrangements for collecting, storing, drying, or otherwise preserving such of these products as are not used in fresh form.

Demand for canned goods greater

The demand for canned foods will be greater than last year because of increased consumer buying power, Army food purchases, and food shipments under the lend-lease program. Noncommercial food storage and preservation will help meet consumer needs by supplementing commercial supplies and contributing to price stability. Government agencies, including units of the United States Department of Agriculture, Federal Security Agency, and Work Projects Administration, are working together in developing and carrying out this program.

Noncommercial fruits and vegetables are available in many localities. In addition to farmers' small surpluses which do not enter the commercial market, there are commercially grown products which are not utilized for commercial marketing but which are excellent for home or community canning. WPA

gardening and canning projects are already operating in many communities. In addition, the Extension Service, through its "live at home" program, encourages the raising and preserving of home food supplies. The Agricultural Adjustment Administration is continuing its home garden program under which farmers earn small payments, which assist them to grow more vegetables for home use. Last year 645,000 farm families took part in this phase of the Triple A program.

Canning projects, gardens encouraged

In a few States, noncommercial agencies are now operating canning plants utilizing fruit and vegetable shipments from the Surplus Marketing Administration. The food-preservation program intends to encourage both small and large canning projects, depending upon the food needs and canning facilities of the community. The planting of fall gardens in the southern parts of the country to increase vegetable supplies is also being encouraged.

Preserving equipment is available through school lunch kitchens, churches, community centers, school home economics departments and other local channels. The plan calls for acquisition of necessary supplies of jars and sugar through cooperative community effort. For locating, gathering, and transporting local supplies, the service of 4-H Clubs, "Future Farmers" organizations, Boy and Girl Scouts, home economics clubs and volunteers will be enlisted.

Trained supervisors needed

The importance of trained supervision to assure safe standards in canning and preserving and to avoid waste through spoilage is also stressed. WPA and NYA supervisors, State extension services of the land-grant colleges, and home economics and vocational agriculture departments of schools and colleges will be available for such supervision and assistance.

The following Federal agencies are cooperating in a community food program for the full use and preservation of food. Representatives of some of these agencies are located in most communities and local groups should call upon them for assistance.

U. S. Department of Agriculture; Bureau of Home Economics, Extension

Service, Farm Security Administration, Surplus Marketing Administration, Rural Electrification Administration, and Consumers' Counsel; Work Projects Administration; National Youth Administration; Agriculture and Home Economics Education Services of the U. S. Office of Education; Consumer Division, Office of Price Administration and Civilian Supply; Nutrition Division, Office of the Coordinator of Health, Welfare and Related Defense Activities.

Coordinate local activities

Where an existing agency is now providing leadership in a vigorous food utilization program, any groups taking part in this expanded program should relate their activities, if possible, to the plans of that agency. Coordination of local activities may be brought about through State and local nutrition committees or, where no nutrition committee exists, by consumer committees of local defense councils or some other coordinating agency. Where no active program now exists, one of these coordinating agencies may assume responsibility for developing and carrying out a local plan.

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Canning needs allocated to avert loss of foods

Emergency allocation of material and equipment necessary for construction and repair of machinery needed by the canning industry to handle this year's crop of perishable vegetables and fruits was ordered July 1 by the Civilian Supply Allocation Division of the OPACS, Leon Henderson, Administrator, announced.

Action was taken through issuance of a civilian allocation program to be administered, enforced, and limited as to time by the Office of Production Management. Effect will be to avoid loss of a part of the year's crop because of shortages of canning equipment, thus aiding in the maintenance of civilian supplies of needed foodstuffs.

The program provides that deliveries of equipment and material, now on the Priorities Critical List, necessary for construction and repair of machinery in various parts of the canning industry shall be given emergency preference ratings to the extent OPM finds consistent with the defense program. The program applies to orders manufacturers have on hand calling for delivery on or before August 1 and to be actually shipped not later than August 15.

TRANSPORTATION . . .

Meeting reveals storage harder to find, but further facilities available

On invitation of Transportation Commissioner Budd, OEM, a meeting was held on June 26 to discuss the storage situation and to try to find out if possible what the defense needs will be in the future for warehouse space. The storage section was represented by Harry D. Crooks, consultant, and Samuel G. Spear, assistant.

Present were representatives of the Office of Production Management, Treasury Department, Procurement Division, War Department, Navy Department, Federal Loan Agency, Maritime Commission, Department of Agriculture, Association of American Railroads, and American Warehousemen's Association.

Must avoid errors of last war

Mr. Budd said it is the firm resolve of the Transportation Division to prevent the loading of freight into cars unless there is assurance that it will be unloaded promptly at destination. Ships to take the goods overseas, private facilities to take it into factories or warehouses, or public warehouse space must be ready at the termination of the line haul. The mistake of allowing terminal yards to be choked with thousands of cars of freight which could not be moved, which caused the terrific transportation blockade of the last war, must not be repeated, he said.

It was reported that information on three surveys of warehouse space being undertaken by the Division—refrigerated warehouse space, public warehouse space, and vacant space suitable for warehouse purposes—will be available in a short time.

General tightening noted

The condition of warehouse space occupancy, as reported, showed a general tightening up, particularly east of the Mississippi, south of the Great Lakes, and north of the Mason and Dixon Line. However, the possibilities of expanding the public merchandise warehouse space by the use of empty buildings which can be adapted for storage purposes were said to be considerable. There is also the possibility of using facilities usually considered off the main shipping routes even at some inconvenience or added cost.

Mr. Crooks stated that he would recommend the building of storage space by the Government when there is indication

of a real shortage. Other possibilities of use of present space should be exhausted first, however. So far as could be learned from those present, no one has yet had any real difficulty in finding storage except for grain.

How agencies get space

The Surplus Marketing Administration reported that it has a large excess of space under contract both refrigerated and dry. The Procurement Office, Treasury Department, and the Federal Loan Agencies have so far been able to develop more space than they have been able to use, but mainly because of inability to get ocean shipping to move strategic materials.

The Commodity Credit Corporation has a hard problem to take care of the current grain crop. With a record carry-over, every device is being used to find space for this commodity. The Navy Department and some of the War Department branches such as the Medical Corps and Signal Corps have provided their needs by purchase and lease of buildings as well as construction.

The Office of the Quartermaster General has a program for construction, lease and purchase, but in addition has also provided for expansion by use of public warehouses storing on a package basis per month.

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REVISED TRUCK TONNAGE

The volume of revenue freight transported by motor truck in May jumped 3 percent over April to establish a new all-time record, according to revised statistics compiled by the American Trucking Associations and made available to Ralph Budd, Transportation Commissioner. The May volume was 36.9 percent over that transported in May 1940.

An earlier report on the volume carried in May was revised to reflect the operations of 36 additional motor carriers.

The revised figures were based on comparable reports received from 230 motor carriers in 40 States. The reporting carriers transported an aggregate of 1,857,312 tons in May, as against 1,804,176 tons in April, and 1,355,816 tons in May 1940.

Carloadings reach 10-year peak, 908,664 for week ended June 28

Railroad carloadings attained a new peak for the past 10 years during the week ended June 28. Total loadings reported were 908,664 cars, an increase of 20.7 percent over the 752,647 cars loaded during the corresponding week in 1940. In the period of more than 10 years since the first week in November 1930, when loadings totaled 934,715 cars, the 900,000 level has heretofore not been approached, the highest peak in the interim being in the fall of 1939, when 856,000 cars were loaded in one week.

The cumulative figures to and including the week ended June 28 of this year totaled 19,846,428, as compared to 16,914,535 during the corresponding period in 1940, or an increase of 17.3 percent.

All loadings rise except livestock

The detailed record by major commodities both for the current week and for the half year show all major commodities with the exception of livestock registering increases over corresponding reporting periods in 1940. For the current week heaviest increases were recorded in grain and grain products, 18.2 percent; coal, 38 percent; coke, 29.7 percent; forest products, 29.3 percent; and miscellaneous, 23.7 percent. The increase in grain is due to the beginning of harvesting the southwestern winter wheat crop plus substantial movements of old grain by the Commodity Credit Corporation to storage at interior points for the purpose of providing additional storage facilities at terminal elevators for the new crop. The heavy volume of coal traffic may be assumed to represent a building up of stocks which were depleted during April, when mining operations ceased, plus a heavier production for the purpose of building up necessary supplies to tide over during the miners' vacation period.

CARLOADINGS—WEEK ENDED JUNE 28

	1941	1940	Percent increase
Grain and grain products...	52,931	44,778	18.2
Livestock.....	9,470	11,041	14.2
Coal.....	170,884	123,861	38.0
Coke.....	14,023	10,816	29.7
Forest products.....	46,404	35,884	29.3
Ore.....	73,025	67,500	8.2
Merchandise l. c. l.....	159,300	149,432	6.6
Miscellaneous.....	382,627	309,335	23.7
Total.....	908,664	752,647	20.7

¹ Decrease.

PURCHASES . . .

\$906,608,645 War Department contracts cleared June 26 through July 2

Defense contracts and letters of intent totaling \$1,172,281,870 were awarded by the War Department and cleared by the Division of Purchases, OPM, during the period June 26 through July 2. Total contract awards were \$906,608,645 which compares with \$45,023,886 for the previous week. Letters of intent totaled \$265,673,225.

Of the total, contracts and letters of intent for aircraft and aircraft parts amounted to \$815,353,492; construction, \$138,232,873; equipment and supplies, \$200,673,225; and ordnance, \$18,022,280.

The Maritime Commission did not report any contracts awarded during the period.

Contracts awarded during the period were:

ORDNANCE

United Shoe Machinery Corporation, Boston, Mass.; guns for manufacture at Beverly, Mass.; \$1,902,374.65.

Pullman Standard Car Manufacturing Co., Hammond, Ind.; gun carriages; \$900,000.

Morton Manufacturing Co., Chicago, Ill.; ammunition chests; \$838,160.55.

General Motors Corporation, Guelde Lamp Division, Anderson, Ind.; cartridge cases; \$1,206,960.

The Buda Co., Harvey, Ill.; engines and spare parts for tanks; \$554,232.62.

Muncie Gear Works, Muncie, Ind.; gun carriages and spare parts; \$807,300.

The Bullard Co., Bridgeport, Conn.; vertical spiral drive and high speed turret lathes; \$4,391,440.

High Standard Manufacturing Co., Inc., New Haven, Conn.; small arms material \$4,870,817.52.

Hannifin Manufacturing Co., Chicago, Ill.; recoil mechanisms; \$570,000.

American Locomotive Co., Schenectady, N. Y.; tank spare parts; \$1,982,995.

AIRCRAFT

General Motors Corporation, Buick Motor Division, Detroit, Mich.; aircraft engines and spare parts; \$88,000,000.

General Motors Corporation, Chevrolet Motor Division, Detroit, Mich.; engines and spare parts; \$89,075,000.

Glenn L. Martin Co., Baltimore, Md., airplanes and spare parts; \$80,418,170.

Glenn L. Martin Nebraska Co., medium bombardment airplanes; \$188,261,526.76. (To be assembled at Government-owned plant at Omaha. The Chrysler Corporation, Hudson Motor Car Co. and Goodyear Aircraft Corporation are designated as major subcontractors.)

Douglas Aircraft Co., Santa Monica, Calif.; airplanes and spare parts; \$10,587,192.

Douglas Aircraft Co., Inc., Santa Monica, Calif.; airplanes and spare parts; \$7,843,010.69.

General Electric Co., Schenectady, N. Y.; turbine supercharger assemblies; \$21,776,000.

North American Aviation, Inc., Inglewood, Calif.; airplanes and spare parts; \$6,352,650.

North American Aviation, Inc.; medium bombardment airplanes; \$127,440,000. (North

American Aviation will operate Kansas City plant with General Motors Corporation, Fisher Body Division, as major subcontractor.)

North American Aviation, Inc., Dallas, Tex.; airplanes and spare parts; \$57,725,572.80.

Link Aviation Devices, Inc., Binghamton, N. Y.; construction of Link trainers; \$12,309,930.

Vultee Aircraft, Inc., Downey, Calif.; airplanes and spare parts; \$31,619,280.

Northrop Aircraft Inc., Hawthorne, Calif.; airplanes and spare parts; \$16,287,134.

Bell Aircraft Corporation, Buffalo, N. Y.; airplanes and spare parts; \$15,885,081.56.

Republic Aviation Corporation, Farmingdale, Long Island, N. Y.; airplanes and spare parts; \$89,075,000.

Curtiss-Wright Corporation, Airplane Division, Buffalo, N. Y.; airplane maintenance parts; \$7,809,597.

Lockheed Aircraft Corporation, Burbank, Calif.; airplanes and spare parts; \$2,797,947.

CONSTRUCTION

Kelsey-Hayes Wheel Co., Plymouth, Mich.; plant for production of machine guns; \$5,800,000. (Defense Plant Corporation will take title of plant now under construction by Kelsey-Hayes and will lease to this firm.)

U. S. Rubber Co., Bristol, R. I.; additional machinery and equipment in plant for manufacture of assault wire; \$719,400. (Defense Plant Corporation lease agreement.)

Anaconda Wire & Cable Co., Marion, Ind.; plant at or near Marion for manufacture of assault wire; \$353,723. (Defense Plant Corporation will establish plant and lease to Anaconda.)

Okonite Co., Paterson, N. J.; additional machinery equipment and durable tools utilized in manufacture of assault wire; \$293,884.78. (Defense Plant Corporation lease agreement.)

Frazer-Brace Engineering Co., Inc., New York City; additional facilities at Weldon Springs Ordnance Works, Weldon Springs, Mo., for manufacture of TNT and DNT; \$14,131,060. (Total estimated cost of plant is now \$25,455,760. It will be operated by Atlas Powder Co.)

Two contractors: H. K. Ferguson Co., Cleveland, Ohio, and Oman Construction Co., Nashville, Tenn.; additional facilities at Wolf Creek Ordnance Plant and Milan Storage Depot, Milan, Tenn.; \$10,791,950. (Total cost of project approximately \$19,316,320. H. K. Ferguson also has architectural and engineering services.)

Four contractors: Russ Mitchell, Inc., T. B. Hubbard Construction Co., Knutson Construction Co., and Joseph F. Meyer, Jr., all of Houston, Tex.; construction of shipping terminal including dredging, dockage, magazines, miscellaneous other buildings, roads, railroads and other utilities at San Jacinto Ordnance Depot, Houston, Tex.; Lockwood & Andrews, and Davila M. Duller of Houston, architectural and engineering services; \$7,566,517.

W. E. Callahan Construction Co., Dallas, Tex.; construction of miscellaneous buildings, railroads, roads, fencing, miscellaneous utilities, runways, and construction camp at Southwestern Proving Ground, Hope, Ark.; Howard, Needles, Tammen & Bergendoff, Kansas City, Mo., architectural and engineering services; \$7,056,933.

Two contractors: Pacific Bridge Co., San Francisco, Calif., and Hawaiian Contracting

Co., Honolulu, T. H.; construction of Army Pier Terminal and Chemical Warfare Service Depot at Kapalama Basin, Hawaii, extension of pier at Hickam Field, Hawaii, water and sewage plant at Wheeler Field and Schofield Barracks; W. D. Day and L. H. Nishkian, San Francisco, Calif., architectural and engineering services; \$1,385,815.

Two contractors: Eaton & Smith and H. P. Moran, San Francisco, Calif.; construction of Ordnance Storage Depot, including igloo magazines, asphaltic roads, railroad, loading platforms, drainage ditch, bridges, railroad underpass, underground storage magazine and warehouses at Benicia Arsenal, Calif.; Clyde C. Kennedy, San Francisco, architectural and engineering services; \$3,089,779.

Two contractors: Stevens Bros. & Miller-Hutchinson Co., Inc., New Orleans, La., construction of pier and transit shed on existing piling and necessary utilities at Port of Embarkation, New Orleans, La.; Gardner & Howe, Memphis, Tenn., architectural and engineering services; \$1,259,950.

Matthew Cummings Co., Inc., Boston, Mass.; construction of maintenance shop, warehouses, barracks, mess, day room, office and storehouse and utilities, Fort Devens, Mass.; Frank A. Barbour, Boston, Mass., architectural and engineering services, \$1,181,814.

Cahill Bros., Inc., San Francisco, Calif.; motor transport facilities, Fort Ord, Calif.; Hunter and Hudson, San Francisco, architectural and engineering services; \$1,230,171.

Two contractors: N. G. Petry, Denver, Colo., and P. S. Cook Plumbing Co., Cheyenne, Wyo.; additional replacement center facilities at Fort Francis E. Warren, Wyo.; Walter W. Flora of Cheyenne, architectural and engineering services; \$1,032,758.

E. B. Badger & Sons Co., Boston, Mass.; additional TNT and DNT capacity at Plum Brook Ordnance Plant, Ohio; \$9,252,911. (Plant will be operated upon completion by Trojan Powder Co.)

Brown & Root, Inc., Houston, Tex.; ammunition storage depot at Texas Ordnance depot, Texarkana, Tex.; Gleb, LaRoche-Dahl, and Chappell of Dallas, architectural and engineering services; \$9,411,827.

Hunkin-Conkey Construction Co., Cleveland, Ohio; additional loading facilities at Ravenna Ordnance Plant, Ohio; Wilbur Watson and Associates of Cleveland, architectural and engineering services; \$4,405,407. (Atlas Powder Co., will operate the plant.)

Colt's Patent Firearms Manufacturing Co., Hartford, Conn.; plant for production of machine guns; \$6,660,000. (Defense Plant Corporation will acquire plant now under construction by Colt and lease to them.)

Two contractors: A. Guthrie & Co., and Al Johnson Construction Co., Minneapolis, Minn.; additional facilities at Iowa Ordnance Plant, Burlington, Iowa; Day and Zimmerman, Inc., of Philadelphia, architectural and engineering and operation of plant; \$5,344,996.

J. A. Terteling & Sons, Boise, Idaho; additional facilities at Umatilla Ordnance Depot, Hermiston, Oreg.; Stevens & Koon, Portland, Oreg., architectural and engineering services; \$3,145,841.

Four contractors: W. A. Bechtel Co., San Francisco, McDonald & Kahn, Inc., San Francisco, Utah Construction Co., Oakland, Bechtel-McCone-Parsons Corporation, Los Angeles; port facilities and QM Depot at Oakland; Bechtel-McCone-Parsons, Los Angeles, architectural engineering services; \$3,209,255.

John Gills & Sons, Inc., and Associates of Cleveland, Ohio; construction of reception center at Camp Perry, Ohio; Garfield, Harris, Robinson and Schafer of Cleveland, architectural and engineering services; \$752,739.

Two contractors: Fruin-Colnon Construction Co. and Frueco Construction Co., both of St. Louis; expansion of facilities at Small

Arms Ammunition Plant, St. Louis Ordnance Plant, Mo.; Mauran, Russell, Crowell and Millgardt of St. Louis and Giffels and Vallet, Inc., of Detroit, architectural and engineering services; \$33,999,559.

Hardaway Contracting Co., Columbus, Ga.; construction of advanced single engine training school (Air Corps) Moultrie, Ga.; \$2,010,000. (Project is estimated to cost \$3,999,456 if and when funds become available.)

Charles H. Tompkins Co., Washington, D. C.; recreation and miscellaneous facilities at Fort Belvoir, Va.; Baskerville & Son of Richmond, Va., architectural and engineering services; \$3,599,806.

Priester Construction Co., Davenport, Iowa; construction of administration building, Rock Island Arsenal, Ill.; \$546,778.

Letters of intent awarded during the period were:

EQUIPMENT AND SUPPLIES

Sperry Gyroscope Co., Inc., Brooklyn, N. Y.; acquisition of jigs, dies, tools, fixtures and materials necessary for production of parts of various types of bombers; \$40,000,000.

Ford Motor Co., Dearborn, Mich.; purchase of machinery, equipment and material for production of airplanes; \$15,000,000.

Allis-Chalmers Manufacturing Co., Milwaukee, Wis.; purchase of jigs, dies, tools, fixtures, equipment necessary for production of aircraft; \$12,500,000.

General Electric Co., Schenectady, N. Y.; manufacture of superchargers to be produced in plants at Fort Wayne, Ind., Everett and West Lynn, Mass.; \$70,000,000.

Nash-Kelvinator Co., Detroit, Mich.; purchase of fixtures necessary for production of propeller assemblies; \$21,500,000.

Hayes Industries, Inc., Jackson, Mich.; wheel and brake assemblies; \$4,500,000.

B. F. Goodrich Co., Akron, Ohio; purchase of materials and equipment necessary for production of tubes and casings; \$1,500,000.

Goodyear Tire & Rubber Co., Akron, Ohio; purchase of materials necessary for production of nose wheel assemblies, \$500,000.

General Tire & Rubber Co., Akron, Ohio; purchase of equipment necessary for production of casings; \$165,000.

Firestone Tire & Rubber Co., Akron, Ohio; purchase of equipment necessary for production of dual seal inner tubes; \$100,000.

Thirty-two letters of intent totaling \$34,908,275 for machine tools and equipment for the small arms ammunition plants at St. Paul, Minn., Salt Lake City, Utah, and Des Moines, Iowa, as follows:

Peters Engineering Co., Philadelphia, Pa., \$1,452,250; Waterbury Farrel Foundry & Machine Co., Waterbury, Conn., \$6,971,758; Ferracute Machine Co., Bridgeton, N. J., \$1,519,813; Zeh and Hahmenaan Co., Newark, N.J., \$193,050; Globe Machine & Stamping Co., Cleveland, Ohio, \$11,374; Standard Machinery Co., Providence, R. I., \$35,878; Carrier Corporation, New York, N. Y., \$11,098; Hires, Castner & Harris, Philadelphia, Pa., \$579,967; G. S. Blakeslee & Co., Cicero, Ill., \$199,889; Colt Patent Firearms Manufacturing Co., Hartford, Conn., \$426,188; Lindberg Engineering Co., Chicago, Ill., \$73,597; Owens Illinois Glass Co., Toledo, Ohio, \$429,282; Specialty Engineering Co., Philadelphia, Pa., \$2,696; Black Rock Mfg. Co., Bridgeport, Conn., \$192,450; Canister Co., Phillipsburg, Pa., \$176,537; Inman Mfg. Co., Amsterdam, N. Y., \$204,105; Proctor & Schwartz, Philadelphia, Pa., \$128,700; E. W. Bliss Co., Brooklyn, N. Y., \$11,126,877; Star Tool & Die Co., Detroit, Mich., \$1,161,500; Spayd-Ohio Manufacturing Co., Detroit, Mich., \$944,300; Manistee Iron Works, Detroit, Mich., \$1,145,340; Heidrich Tool & Die Corporation, Detroit, Mich., \$597,090; N. Ranschoff Co., Cincinnati, Ohio, \$142,770; E. J. Manville, Machine Co., Waterbury, Conn.,

\$372,972; Modern Bond Corporation, Wilmington, Del., \$214,994; V. & O. Press Co., Hudson, N. Y., \$2,044,456; E. I. du Pont de Nemours & Co., Wilmington, Del., \$64,517; Fidelity Machine Co., Philadelphia, Pa., \$471,273; Henry Wright Mfg. Co., Hartford, Conn., \$1,233,836; Salem Engineering Co., Salem, Ohio, \$2,012,177; Schutte & Koerting Co., Philadelphia, Pa., \$534,189; Watson Stillman Co., Roseville, N. J., \$313,302.

AIRCRAFT

Studebaker Corporation, South Bend, Ind.; engines and spare parts; \$65,000,000.

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McCarthy succeeds Smith as adviser on bread

Appointment of John T. McCarthy, president of the Jersey Bread Co. of Toledo, as special adviser on bread procurement, Division of Purchases, OPM, was announced July 3 by the Division. Mr. McCarthy was to take over his new duties on July 7.

Replaces Tom Smith

Mr. McCarthy replaces Tom Smith, who has submitted his resignation after more than 3 months' service in the subsistence branch of the Division of Purchases. Mr. Smith, who is secretary of the American Bakers Association, resigned in conformity with the policy recently adopted by the OPM, making paid officers of trade associations ineligible for positions in the OPM organization.

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Army aids aluminum drive

An Army-wide drive to collect and salvage scrap aluminum has been announced by the War Department.

A system of salvage has been established under which all scrap aluminum will be collected and sent through existing commercial channels to priority defense industries where it is needed most.

All branches will contribute

All branches of the Army will contribute in the salvage campaign. From the Medical Corps may come the aluminum legs from old operating tables that are no longer serviceable. The Army Air Corps will contribute bits of aluminum from its airplane salvage operations. And from the Quartermaster Corps will come old aluminum pots and pans, canteens, and serving trays.

More luxuries to disappear, says McConnell

(Continued from page 5)

be borne in mind that the demand for raw materials, especially metals, is so great that there are very few metals that can be substituted for other metals.

Third, there is the possibility of simplification of design. Some materials can be saved this way and a considerable amount of manufacturing facilities and manpower freed for defense work.

Can have necessities

However, the people of the United States might just as well face the simple fact that this defense program is going to mean that they will have fewer of the luxuries, comforts, and conveniences to which they have become accustomed. No matter how hard we try to avoid it, production of consumer goods is bound to be curtailed to an increasing extent.

It is my conviction that there will be no want: We can have the necessities of life and all-out defense, too. But we cannot have the luxuries of life and all-out defense, too.

Until this program is over the people of the United States are going to walk into stores more and more and find their merchants simply cannot supply them with the products they want.

Defense needs will control habits

Our purchases, our habits, our daily lives, perhaps even our styles will be controlled and limited by the requirements of national defense.

Many examples could be cited of military requirements for raw materials that have grown beyond the wildest dreams of 12 months ago. There is no guarantee that they will not multiply again and there is good reason to believe that some of them will.

In other words, we must make what we have go as far as it will. Otherwise, there may be nothing to replace it. Here is a tremendous chance for the public to help out. Every individual can personally contribute to defense by thinking and acting in terms of conservation.

Every patriotic American should start right now to save our resources for the defense effort. From time to time there will be numerous campaigns in which the Government will call for specific savings and will instruct the public on how to accomplish them.

64 Certificates for plant expansion

A total of 64 Certificates of Necessity were issued to 58 corporations from June 16 to June 30, inclusive, the National Defense Advisory Commission announced this week. These certificates were issued in connection with the construction and acquisition of new plant and manufacturing facilities, the estimated cost of which was \$24,523,000.

This brings the total issued through June 30 to 1,719 and the number of corporations to 1,510. The cost of facilities covered to date was estimated at \$1,009,192,000.

A compilation of firms for the last half of June and estimated cost follows:

Aircraft Tools, Inc., Los Angeles, Calif., aircraft tools, \$40,000.

Aluminum Co. of America, Pittsburgh, Pa., aluminum forgings, \$1,998,000.

American Car & Foundry Co., New York, N. Y., landing lighters and armor plate, \$110,000.

American Leather Products Corporation, Indianapolis, Ind., field bags and dispatch cases, \$4,000.

Anaconda Wire & Cable Co., New York, N. Y., shipboard cable and target wire, \$17,000.

Atlantic Products Corporation, Trenton, N. J., canvas field bags, \$36,000.

Charles H. Besly & Co., Chicago, Ill., taps, \$17,000.

Bethlehem Steel Co., Bethlehem, Pa., steel products, \$1,297,000.

Calvert Iron Works, Inc., Atlanta, Ga., erection of structural steel, \$20,000.

The Cleveland Automatic Machine Co., Cleveland, Ohio, machine tools, \$68,000.

DeVlieg Machine Co., Ferndale, Mich., machine tools, \$112,000.

The Euclid Road Machinery Co., Cleveland, Ohio, trac-trucks and Diesel trucks, \$145,000.

Fairbanks, Morse & Co., Chicago, Ill., Diesel-engine parts, \$152,000.

Federal Bearing Co., Inc., Poughkeepsie, N. Y., ball bearings, \$70,000.

Flour Mills of America, Inc., Kansas City, Mo., storage of grain, \$45,000.

General Electric Co., Schenectady, N. Y., ship propulsion gears and turbines, \$587,000.

Hamilton Veneer Co., Orangeburg, S. C., hardwood plywood, \$78,000.

Hanna Ore Mining Co., Cleveland, Ohio, iron ore, \$165,000.

Haveg Corporation, Newark, Del., chemical warfare production equipment, \$2,000.

Heintz Manufacturing Co., Philadelphia, Pa., metal stampings, \$87,000.

Heller Bros. Co., Newark, N. J., carbon and alloy steels, \$1,500,000.

The Ingersoll Milling Machine Co., Rockford, Ill., machine tools, \$74,000.

The Kansas Elevator Co., Kansas City, Mo., storage of grain, \$55,000.

Kellogg Switchboard & Supply Co., Chicago, Ill., telephone accessories, \$56,000.

Koppers Co., Pittsburgh, Pa., chemicals, \$1,373,000.

Lansdowne Steel & Iron Co., Morton, Pa., projectiles, \$8,000.

LeTourneau Co. of Georgia, Toccoa, Ga., earth moving machinery, \$60,000.

Lindsley Manufacturing Co., Inc., Milford, Conn., tools and dies, \$16,000.

Lukens Steel Co., Coatesville, Pa., processing of carbon alloy and stainless steel plates, \$144,000.

McQuay-Norris Manufacturing Co., St. Louis, Mo., projectiles, \$83,000.

Mercury Aircraft, Inc., Hammondsport, N. Y., airplane parts and equipment, \$13,000.

Michigan Tool Co., Detroit, Mich., marine motor parts, \$219,000.

Miller Malting Co., Los Angeles, Calif., storage of grain, \$60,000.

Moore Dry Dock Co., San Francisco, Calif., cargo vessels, \$650,000.

National Lead Co., New York City, N. Y., chemicals, \$154,000.

The National Supply Co., Toledo, Ohio, propulsion gear and clutch units, \$80,000.

New York Drop Cloth Mfg. Co., Inc., Long Island City, N. Y., kits, bags, and rolls, \$7,000.

Nordberg Manufacturing Co., Milwaukee, Wis., torpedo tubes, \$867,000.

Packard Motor Car Co., Detroit, Mich., marine engines, parts, and accessories, \$32,000.

Pittsburgh Steel Co., Cleveland, Ohio, water transportation, \$10,900,000.

The Schatz Manufacturing Co., Poughkeepsie, N. Y., airplane engine bearings and parts, \$60,000.

Shell Oil Co., Inc., New York, N. Y., chemicals, \$20,000.

The Skinner Chuck Co., New Britain, Conn., machine chucks and vises, \$21,000.

The Springfield Machine Tool Co., Springfield, Ohio, turret lathes, \$21,000.

Sundstrand Machine Tool Co., Rockford, Ill., machine tools, hydraulic pumps and controls, \$120,000.

Union Twist Drill Co., Athol, Mass., drills, taps, and dies, \$22,000.

United States Rubber Co., New York, N. Y., searchlight reflectors, \$1,000.

V-O Milling Co., Los Angeles, Calif., storage of grain, \$46,000.

Vermillion Mining Co., Cleveland, Ohio, iron ore, \$482,000.

Volupte, Inc., Elizabeth, N. J., primer bodies, \$26,000.

Watertown Cooperative Elevator Association, Watertown, S. Dak., storage of grain, \$8,000.

Western Cartridge Co., New Haven, Conn., cartridge brass, \$1,529,000.

Western Electric Co., New York, N. Y., radio equipment, \$202,000.

Western Elevator Co., Kansas City, Mo., receiving and loading of grain, \$16,000.

C. H. Wheeler Manufacturing Co., Philadelphia, Pa., condensers, air ejectors, ship and airplane cranes, \$151,000.

J. H. Williams & Co., Buffalo, N. Y., drop forgings and drop forged tools, \$302,000.

Willys-Overland Motors, Inc., Toledo, Ohio, breech housing and recoil cylinders, \$90,000.

Winter-Truesdell-Diercks Co., Minneapolis, Minn., storage of grain, \$5,000.

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Monthly increase in defense payments averages 19 percent

A new series of monthly defense disbursement figures was released last week by the Bureau of Research and Statistics, OPM. They show total disbursements of \$6,077,000,000 for national defense for the 11 months ended May 30. This includes defense expenditures of the Maritime Commission and the Reconstruction Finance Corporation and its subsidiaries, items which have not been included in previous compilations.

An average month-to-month increase of 19 percent over funds paid out was established over the period. In April and May the rate of increase slowed due chiefly to a decline in payments for the construction of Army and Navy posts and depots.

CASH DISBURSEMENTS FOR DEFENSE (On a Checks-Issued Basis)

Month and year	In millions	Percent increase
<i>1940</i>		
July.....	175	-----
August.....	233	33.1
September.....	267	14.0
October.....	328	22.8
November.....	403	22.9
December.....	495	22.8
<i>1941</i>		
January.....	738	49.1
February.....	725	-1.8
March.....	862	18.9
April.....	919	6.6
May.....	1,032	12.4
Total, 11 months.....	6,077	19.0

¹ Preliminary.

² Average.

HOUSING . . .

President finds need of 10,070 more defense homes, in 34 localities

President Roosevelt on July 3 found a need for the immediate construction with public funds of an additional 10,070 homes for the families of industrial workers and enlisted personnel in 34 localities of the country, upon the recommendation of C. F. Palmer, Coordinator of Defense Housing.

Localities for housing

The localities and the number of homes in each for which public funds have been allocated are as follows:

Childersburg, Ala., 400; Litchfield Park, Ariz., 100; Bakersfield, Calif., 85; Richmond, Calif., 450; Bristol, Conn., 200; Washington, D. C., 1,000; Banana River, Fla., 50; Jacksonville, Fla., 400; Pensacola, Fla., 200; Savannah, Ga., 150; Connorsville, Ind., 300; Fort Wayne, Ind., 75; Kingsbury-LaPorte, Ind., 400; Madison, Ind., 100; Burlington, Iowa, 200; Wichita, Kans., 600; New Orleans, La., 325; Baltimore, Md., 1,000; Springfield, Mass., 300; Biloxi, Miss., 175; Meridian, Miss., 100; Charlotte, N. C., 85; Jacksonville, N. C., 700; Cape May, N. J., 50; Northern New Jersey, 250; Canton, Ohio, 300; Cleveland, Ohio, 500; Port Clinton, Ohio, 100; Knoxville-Alcoa, Tenn., 250; Victoria, Tex., 100; Wichita Falls, Tex., 175; Dahlgren, Va., 50; Seattle, Wash., 500; Charleston, W. Va., 400.

Some reductions made

At the same time Mr. Palmer requested that the President reduce previous findings of defense housing need for 22 localities due to the fact that it was found subsequent to original findings that such defense housing was not needed to the extent anticipated.

The localities and the number of homes originally found necessary, together with the number now programmed are as follows:

Tucson, Ariz., originally 150, reduced to 135; Stockton, Calif., 150 to 100; Delaware City, Del., 40 to 20; West Palm Beach, Fla., 300 to 150; Augusta, Ga., 125 to 75; Savannah, Ga., 325 to 250; Corydon, Iowa, 250 to 0; Leon, Iowa, 250 to 0; Baltimore, Md., 100 to 85; Long Branch, N. J., 525 to 265; Ft. Meade, S. Dak., 50

to 35; Lee Hall, Va., 25 to 0; South Tacoma, Wash., 150 to 100; Spokane, Wash., 200 to 160; Canal Zone, 2,200 to 200; Ft. Knox, Ky., 219 to 0; Yorktown, Va., 80 to 0; San Antonio, Tex., 17 to 0; Rolla-Waynesville, Mo., 600 to 500; Great Bend, N. Y., 125 to 50; San Juan, P. R., 450 to 50; District of Columbia, 70 to 0.

1,400 homes completed in week

Approximately 1,400 defense homes were completed and 1,800 put under construction contract the week ended June 28, Housing Coordinator Palmer announced July 5.

These homes are located in widely diverse areas including Connecticut, North Carolina, Georgia, Florida, Illinois, California, Alaska, and Hawaii.

Under the temporary shelter program, 360 trailers and 2,483 dormitory units were reported completed.

500 at Fort Bragg, Fort Story

Among the homes completed for the week were 250 for civilian and enlisted personnel at Fort Bragg, N. C., constructed by the Public Buildings Administration. This agency also reported 40 homes completed in Augusta, Ga., and 250 at Fort Story, Va., both for enlisted personnel.

The United States Housing Authority reported 350 homes placed under construction contract at Macon, Ga., 300 at Wilmington, N. C., and 250 at Midland,

"HOMES FOR DEFENSE"

"Homes for Defense," a pamphlet describing the work of the Defense Housing Coordinator's office, together with an explanation of how the various housing agencies of the Government mesh into the defense housing program, was issued July 2 by Coordinator Palmer.

The booklet sets forth graphically the way in which defense housing needs in a given locality are met under the coordinated defense housing program.

Pa. Most of the occupants will be civilian industrial workers.

400 under contract for Manitowoc

The Federal Works Agency reported, for the week, 400 homes placed under construction contract in Manitowoc, Wis., and the Tennessee Valley Authority, 34 homes completed at Muscle Shoals, Ala. All of these homes are for civilian workers.

San Diego, Calif., with its rapidly expanding aircraft industry, reported 340 family trailers and 2,432 single dormitory units completed the week ended June 28. Nashville, Tenn., received 20 additional trailers and Sidney, N. Y., received 51 single dormitory units. The Farm Security Administration will supervise the construction and management of these trailers and dormitories.

As of June 28, 97,313 homes had been allocated in 162 localities of 49 States and Territories. Of these, 70,146 have been placed under construction contract and 17,522 have been completed.

STATUS OF PUBLIC DEFENSE HOUSING CONSTRUCTION, JUNE 28, 1941

	Funds allocated		Contracts awarded		Completed	
	June 28	June 21	June 28	June 21	June 28	June 21
Number of States and Territories.....	49	49	46	40	28	27
Number of localities.....	162	162	142	141	59	57
Number of projects.....	364	364	248	241	69	65
Number of family dwelling units (regular).....	97,313	97,313	70,146	68,341	17,522	16,173
Civilian industrial workers in private defense industry.....	41,835	41,855	24,440	23,240	2,870	2,870
Civilian industrial workers in Government plants.....	17,201	17,201	13,026	12,938	3,774	3,023
Other civilians, employed by the Army and Navy.....	10,607	10,607	8,509	8,484	2,637	2,589
Married enlisted personnel.....	27,650	27,650	24,171	23,679	8,241	7,637
Number of family dwelling units (trailers).....	4,094	4,094	2,159	2,169	1,170	810
Civilian industrial workers in private defense industry.....	3,594	4,594	2,159	2,159	1,170	810
Civilian industrial workers in Government plants.....	500	500				
Number of units for single persons.....	8,891	8,891	6,525	6,525	3,076	2,593

PRIVATE CONSTRUCTION UNDER FHA MORTGAGE INSURANCE

January 1 to June 28.....	98,620
Week ended June 28.....	6,637

AGRICULTURE . . .

(Information furnished by Office of Agricultural Defense Relations,
U. S. Department of Agriculture)

Study of dried foods to be expanded with view to emergency defense use

Investigations of commercial dehydration of foods for emergency defense use are to be expanded in a new program being launched by the U. S. Department of Agriculture. These studies—to be carried on largely at the Department's newly opened Western Regional Research Laboratory at San Francisco—are a continuation of similar investigations during and following the First World War.

Dried foods may be used for the armed forces, to meet food shortages among civilian populations both at home and abroad, and to improve the nutrition of undernourished civilians.

To study preservation of vitamins

Department officials point out that the studies will include not only methods and equipment for dehydration, factors affecting color and flavor, and storage problems, but also two more recently recognized factors in dehydration: ways to preserve vitamins, and varieties of crops especially suitable for dehydration.

Dehydrated foods will be of value in outlying military or naval stations which might be cut off from normal supply lines. Under certain other conditions, dried foods also might be more practical for our armed forces than foods canned or preserved in other ways. They also may be a factor in feeding British civilians and military forces because of shortage of shipping facilities.

Even at home, emergencies may arise where dried foods would be valuable. Agricultural defense officials point out that a large part of the foods consumed in the East originate in the Pacific Coast area. Ordinarily, coastwise vessels bring these foods through the Panama Canal. But with the reduction of shipping facilities, much of this food must move by rail. When shipped by rail, the higher rail rates increase the cost of canned food by about 2 cents a can.

With a shortage already of rail equipment—and a possible shortage that may develop in supplies of gasoline for trucking—difficulties might arise in an emergency in moving foods eastward from the Pacific Coast. When properly dried and packed, the dried products take up only one-fifth to one-half of the space required for canned or frozen foods; and they weigh only 10 to 25 percent as much as food in other forms.

The smaller bulk and lighter weight of the dried foods also facilitate storing over a period of years. With the newer forms of moisture-proof bags, storage problems should be reduced to a minimum.

Dehydrated foods also would provide foods to improve the diets of the thousands of undernourished people in this country at prices they can better afford.

Products to receive first attention—as requested by the Army and Navy—include tomatoes, onions, white potatoes, carrots, leafy vegetables, green peas, green and wax beans, lima beans, celery,

squash, citrus juices, apricots, prunes, and apples.

During the First World War, about 80 million pounds of dehydrated foods (mainly fruits) were shipped abroad for the AEF. The shipments of dried vegetables amounted to only 8.6 million pounds; they included 6.5 million pounds of dried potatoes and 1.5 million pounds of dried onions.

During the First World War, investigations on commercial dehydration of foods were greatly expanded and continued at a high pitch until about 1924. Rather extensive efforts were made to "sell" dried food products to the housewife, but readily available supplies of canned and fresh foods, and difficulties in handling dehydrated foods in the kitchen, prevented widespread use.

OADR welcomes priorities for agricultural needs

Establishment of priority status for repair and maintenance materials for 26 industries and services essential to the public welfare, including most of the requirements of agriculture, was described by the Department of Agriculture's Office of Agricultural Defense Relations as "the best possible assurance that the Nation's farmers will be able to carry on their vital food-for-defense program."

Announcement of the priority status was made July 1 by the Civilian Supply Allocation Division of the OPACS.

Of particular interest to agriculture in the list of 26 essential industries and services are: Farm equipment employed in farming operations; food processing and storing; production of chemicals (for use in fertilizers, insecticides, fungicides, etc.); railroads; commercial operation of motor trucks; shipping, including ocean, lake, river, and canal commerce; petroleum production and refining; and electrical energy production and distribution—all essential to the handling and distribution of agricultural products.

"The action of the Office of Price Administration and Civilian Supply," Director M. Clifford Townsend of the Office of Agricultural Defense Relations said, "in including agriculture's needs in the list of essential industries and services gives full recognition to the unspectacular but basic contributions farmers are making to the defense program. It is the best possible assurance that the Nation's farmers will be able to carry on the vital food-for-defense program."

Wood products available as substitutes for metal

The Department of Agriculture has called attention to the possible substitution of modern wood products for many of the defense materials in which critical shortages exist.

In describing recent discoveries that have led to new and wider uses of wood, Secretary of Agriculture Wickard said that plastic plywood offers the possibility of meeting the need of the aircraft industry for a material that will help alleviate the present aluminum shortage and the shortage of skilled metal workers.

Wood for training planes

Manufacturers of training planes have been advised to start adapting their designs to some material other than aluminum alloys, and wood and plywood are the materials to which they are turning. In manufacturing combat planes every effort is being made by the companies to make at least some parts of wood and plywood. Basic information about these materials enabling them to make the shifts is being provided as rapidly as possible by the forest products laboratory of the U. S. Forest Service.

A method of combining plasticizing and pressure has recently been devised whereby wood veneers can be converted into extremely dense, tough material, interchangeable with metal for propellers, radio masts, small fixed fittings, and beam reinforcements at fastening points.

CIVILIAN DEFENSE . . .

Dr. Baehr, defense medical director, to coordinate OCD, Health Service activities

The Office of Civilian Defense and the United States Public Health Service jointly announced July 4 the appointment of Dr. George Baehr of New York as Medical Director in the United States Public Health Service, in charge of the medical aspects of civilian defense. He will act as Chief Medical Officer in OCD, under Director F. H. LaGuardia, and will coordinate activities of these two agencies.

Surg. Gen. Thomas Parran has assigned to Dr. Baehr several public health service offices for the Washington and New York offices of OCD as well as the liaison health officers recently detailed to each of the nine Army Corps Areas.

Aided by Advisory Board

Dr. Baehr is being assisted by an Advisory Medical Board recently appointed by Mayor LaGuardia which includes Dr. Elliott C. Cutler of Boston; Dr. Oliver Keil of Wichita Falls, Tex.; and Dr. Albert McCown of Washington, D. C. The work of OCD in medicine and public health will be concerned largely with the development of plans and facilities for disaster relief in the cities, beginning with those along both seaboards. Preparation of these plans is well advanced, and they will be announced shortly.

In order that the facilities for disaster relief and their administration throughout the country may fit into a common pattern, all States and local communities are advised to adopt the recommendations of OCD. Although the British experience will be utilized, plans for the United States will be adapted to the existing organizational pattern of the State and local governments of the country.

Equipment to be standardized

The medical equipment for disaster relief will be standardized in conformity with the experience of the Army and the American Red Cross so that an adequate supply may be provided to meet any future need. OCD will shortly announce the adoption of a standard stretcher, standard stretcher racks to permit the transportation of four patients in station wagons and small trucks, and standard first-aid kits.

A projected intensification of the first-aid training program will include instruc-

tion for the public. Training courses for volunteer nurses' aides will immediately be extended and placed on a practical basis.

During the last war Dr. Baehr was a member of the American Red Cross Sanitary Commission to the Balkans and Russia (1915-1916). He served with the

American Expeditionary Force in France as lieutenant colonel in command of United States Base Hospital No. 3.

Dr. Baehr has served on the Public Health Council of the State of New York, and was designated by the Governor as a member of the legislative committee to form a long-range health program for the State. In the city of New York, he is chairman of the technical advisory board of the Board of Health, and administrative consultants to the department of hospitals.

Civil protection and economic problems stressed in Connecticut progress report

Measures for civil protection form a large part of the program of the Connecticut State Defense Council, according to a comprehensive report of the work of that council. Labor and economic problems related to defense are also receiving special emphasis, the report states. Governor Robert A. Hurley is chairman and Samuel H. Fisher is administrative officer of the council, which was established by law on April 25, 1941.

Activities of State Defense Council

A brief summary of major activities follows:

Preparations for an air raid protection program are under way in cooperation with an American Legion committee. A census of station wagons and light trucks that can be converted into ambulances is being taken in cooperation with the State Police and the Commissioner of Motor Vehicles. Medical, hospital, and nursing facilities are being organized, and a vigorous campaign is being inaugurated in local councils to encourage definite programs in case of evacuation or catastrophe. The Public Utilities Commission has made available to the council a survey of all fleets of 12 or more buses and 12 or more trucks in the State with detailed information on make, age, and seating capacity.

Preparations have been made for voluntary registration on any required scale or, if necessary, for complete registration of all persons in the State. Some preliminary enrollment of volunteers has already begun.

Activities of the Red Cross will be integrated with the general defense activities of the council. The council is

also cooperating with various groups on interstate traffic problems.

A study is under way of the State's need for coal, oil, and other fuels. Cumulative data on all idle machines in the State are being secured and tabulated and are to be available to any manufacturer.

Inaugurate "in-plant" training program

In cooperation with the WPA and the Winchester Repeating Arms Co., an "in-plant" training program has been inaugurated, which, if successful, will be put into effect in other plants. Under the plan, 1,000 WPA employees will receive 4 weeks' training in factory protection. Workers who prove capable will be absorbed in regular industrial defense activities within the Winchester plant.

In cooperation with the State Employment Service, the labor committee of the State defense council is accumulating an agricultural file to include registrants from high schools, preparatory schools, colleges, NYA, CCC, and WPA. It is also arranging for clearance of surplus agricultural labor from Southern and other New England States.

The State's Electric Cooperative Act, which makes possible electrification of rural areas, will bring electric power to farms and isolated industries.

Several directors of home registration offices, appointed by and operating under the supervision of the council, cooperate with Federal and local units in registering available housing facilities in the industrial centers.

Eighty-five local defense committees, with a membership of approximately 1,500, have been established through a coordinating unit within the State council.

Drydock company to increase Negro workers by 100 percent

The Sun Shipbuilding & Dry Dock Co. at Chester, Pa., told the OPM July 1 that it was going to increase by 100 percent Negro employment in its yards, where 750 colored skilled and unskilled workers are already employed.

Other developments in this field, revealed by Dr. Robert C. Weaver, chief of the Negro Employment and Training Branch of OPM, in a report to Sidney Hillman, Associate Director General, included:

1. The admittance of Negro trainees in pipefitting, welding, sheet metal, and electrical defense courses at Philadelphia for anticipated employment at the Cramp Shipbuilding Co. yards.

2. The conclusion of an agreement with West Coast unions and shipbuilders for the transfer of Negro building trades workers to the shipbuilding yards for immediate construction employment.

Earlier, John G. Pew, president of the Sun Co., had informed OPM that Negroes

already constituted 10 percent of Sun's employees, and that they were integrated into the forge and blacksmith shops, foundry, pipefitting department, bolting and reaming, riveting, storeroom, yard maintenance, bending shop, garage, and janitor service.

C. R. Burke, vice president, revealed that an additional 750 Negro workers would be hired in these departments when the employment peak is reached, and that many of the present workers would be promoted to foremen and supervisory positions.

At the Cramp Shipbuilding Co., Dr. C. R. Pendleton, director of training, accepted a suggestion of an OPM representative that 100 Negroes be referred immediately from the Pennsylvania State Employment Service for examination and defense training in shipbuilding operations at the Mastbaum Vocational School Annex.

Knudsen asks every citizen to press defense faster

Director General Knudsen, OPM, in a Fourth of July statement called on every American citizen, whether engaged in the program or not, to get behind the defense effort and press it "ever faster." Excerpts from the statement follow:

War, we all know, is a question of materials. The successful invasion of Russia by Germany would mean the acquisition of great stores of food, oil, and other materials. These would make possible invaluable support for German arms which in turn would mean continuing expansion of German conquest, pressing ever harder on the western hemisphere.

"The dictator does not stop"

There is a peculiar intoxication which goes with military success. The dictator does not stop until military reverses or shortage of materials force his defeat. And he has but one goal—world domination.

That is the threat we are facing. Therefore, we must press our defense program ever faster. Industry, labor, government, every American citizen, whether actively engaged in the program or not, must get behind the effort.

"One cure—toil"

This war is like a disease that has spread over the larger part of the civilized earth, and there is only one cure for it—that is, toil and sweat, and the willingness to sacrifice our comfort and our leisure, so that our country may endure, our homes may be happier, and our children may be insured against despotism and slavery.

OEM to present Paul Muni

The Office for Emergency Management, in cooperation with the Columbia Broadcasting System, will present Paul Muni in "Highway for Americans," a radio verse drama on the American spirit. This program will be broadcast coast-to-coast on July 13, at 1:35 to 2 p. m. eastern standard time.

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Men 28 or over to be deferred

Deferment of all Selective Service registrants who were 28 years old on or after July 1, 1941, was directed July 2 by Brig.

Gen. Lewis B. Hershey, deputy director of Selective Service, at the request of congressional leaders.

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Knudsen tours plane plants

Director General Knudsen is on a tour of the Nation's airplane factories to speed production. The schedule of his visits is as follows: July 7 and 8, Detroit; July 9, Minneapolis; July 10, Butte; July 11 and 12, Seattle; July 13, San Francisco; July 14, 15, and 16, Los Angeles; July 17, San Diego; July 18 and 19, Fort Worth; July 20, Wichita.

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DEFENSE



OFFICIAL WEEKLY BULLETIN OF THE OFFICE FOR EMERGENCY MANAGEMENT

OFFICE OF PRODUCTION MANAGEMENT, NATIONAL DEFENSE ADVISORY COMMISSION, DEFENSE HOUSING COORDINATOR, DEFENSE COMMUNICATIONS BOARD, COORDINATOR OF HEALTH AND WELFARE, SCIENTIFIC RESEARCH AND DEVELOPMENT, NATIONAL DEFENSE MEDIATION BOARD, DEFENSE AID REPORTS, COORDINATOR OF COMMERCIAL AND CULTURAL RELATIONS BETWEEN THE AMERICAN REPUBLICS, PRICE ADMINISTRATION AND CIVILIAN SUPPLY, CIVILIAN DEFENSE

WASHINGTON, D. C.

JULY 15, 1941

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Review of the Week in Defense

Sidney Hillman, OPM Associate Director General, last week established a labor supply branch within the OPM Labor Division to assure a steady flow of skilled workmen into expanding defense industries.

Labor supply committees provided

The work of 12 governmental units dealing with defense labor was placed under direction of Civil Service Commissioner Arthur S. Fleming. A dozen regional labor supply committees will operate, Hillman said, to enlist the aid of labor and management groups in industrial areas.

"We are confident that we have here established a sound apparatus for meeting existing manpower requirements and anticipating them progressively as defense industry expands," Hillman said.

He explained that President Roosevelt on May 28 had asked the OPM Labor Division to "assume full responsibility" for providing defense industries with workmen.

Defense Labor Advisory Committees to correspond with the Defense Industry Advisory Committees set up June 24 also were established by OPM. Members will serve in an advisory role on labor aspects of defense production.

Aircraft production mounts

Evidence that defense production is mounting came meanwhile in the OPM announcement that 1,476 military aircraft were delivered in June as against 1,334 in May. This was the largest output to date by almost 100.

Director General William S. Knudsen meanwhile was making a Nation-wide tour to observe the growing aircraft plants.

Aluminum for trainer planes

As civilians organized for the aluminum scrap collection campaign, Mayor F. H. LaGuardia, Director of the Office of Civilian Defense, stated that proceeds from sale of donated pots and pans will

go to purchase aluminum for Army and Navy trainer planes. Thus U. S. armed forces will gain doubly from the drive.

Out of the 15,000,000 pounds of usable aluminum scrap expected to be collected, Robert E. McConnell, chief of the OPM Conservation Unit, estimated that 2,000 fighting planes or 500 bombers can be built.

Mayor LaGuardia informed governors that convenient concentration points will be designated in each State for the accumulation of the aluminum before being sold to smelters.

With other conservation drives being organized, the OPM revealed a recommendation of the National Academy of Sciences that silver be substituted for tin in solder. This saving, plus the reduction in tin now being made by can manufacturers, would cut tin consumption 25 percent, the report said, and thus add to the U. S. reserve.

Chromium under priority control

The OPM Priorities Division placed chromium under full priority control, released a new plan for regulating distribution of machine tools, and amended the copper preference order to cover copper-base alloys.

The chromium control will mean less of the bright metal for automobiles, more for high-speed cutting tools used in defense production. One aim of the machine-tool regulation is to insure deliveries to Great Britain and other parts of the British Empire. Amendment of the copper order will mean further reduction of civilian uses of brass and bronze.

Shipyards get preferences

Blanket preference ratings were given 20 shipyards to speed the output of merchant ships urgently needed for defense.

On recommendation of the State Department, the Priorities Division gave U. S. orders for building a \$45,000,000 steel mill in Brazil priority ratings high enough to secure prompt deliveries without hampering our own defense production.

OPACS announced an allocation program to assure supplies for repair and

maintenance of autos, trucks, trailers, and household equipment.

Administrator Leon Henderson set up a Cotton Textile Advisory Panel to advise OPACS on price control and supplies in the cotton textile field.

Three-shift recreation urged

Round-the-clock recreation programs to parallel the 24-hour schedule of defense industry was urged at a week-end conference on recreation for defense workers called by Security Administrator Paul V. McNutt.

Forty-seven Atlantic seaboard cities prepared to send police and firemen to the civilian defense training school at Edgewood Arsenal, Md., as the first class of 50 completed a 2 weeks' course.

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Processor must rate A-10 to buy aluminum scrap

Priorities Director Stettinius issued July 11 a letter to all aluminum foundries and melters and to all consumers of and dealers in aluminum scrap, calling their attention to the fact that aluminum scrap may not be sold to processors except when these processors have been granted preference ratings of A-10 by the Priorities Division.

The restrictions on the sale of aluminum scrap to processors are contained in Supplementary Order M-1-c issued on June 10, 1941.

Since the issuance of the M-1-c order, there have been a number of cases in which it was incorrectly assumed that the limitations imposed by the order applied only to deliveries for defense purposes, and that scrap could be sold to processors without an A-10 rating, if it were intended for nondefense purposes.

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Truck production meetings

The Motor Truck Subcommittee of the Automotive Defense Industry Advisory Committee met with representatives of the OPM and other Government agencies July 12 to discuss motor truck production schedules for the year beginning August 1.

Another meeting of the subcommittee was arranged for July 15.

DEFENSE

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Preference given repair parts for private consumer goods

Moving to assure adequate supplies of repair and maintenance parts for such privately owned consumer goods as automobiles, trucks, trailers, and household equipment, the Civilian Supply Allocation Division of the OPACS promulgated July 12 an allocation program giving such materials and equipment a preference over other civilian needs.

The program, which is to be administered by the OPM, is expected to reduce to a minimum the inconvenience to the public caused by diversion of raw materials to defense needs with resultant curtailment of consumer durable goods production. By maintaining supplies of repair and maintenance parts such goods now in existence can be kept in operation.

The program points out that increasing requirements of the defense program will in the near future make it difficult to expand or even keep constant the supply of new consumer durable goods. Goods covered by the program include: Passenger automobiles, trucks and tractors, household refrigerators, stoves, ranges, and water heaters, sanitary plumbing fixtures, and furnaces, including oil burners and automatic stokers.

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Nine appointed to Cork Industry Committee

Appointment of nine members of a Cork Defense Industry Advisory Committee was announced July 14 by the Bureau of Clearance of Defense Industry Advisory Committee, OPM.

Members of the committee, who represent the five principal groups in the cork industry—cork insulation, composition, crown liners, corkwood products and linoleum, are as follows:

H. H. Bruns, Mundet Cork Corporation, Brooklyn, N. Y.; E. J. Costa, Crown Cork & Seal Co., Baltimore, Md.; F. R. Mitchell, Mitchell & Smith, Inc., Detroit, Mich.; W. G. Burns, Congoleum-Nairn, Inc., Kearny, N. J.; H. W. Prentis, Jr., Armstrong Cork Co., Lancaster, Pa.; H. H. Bose, United Cork Cos., Kearny, N. J.; A. B. Dodge, Dodge Cork Co., Inc., Lancaster, Pa.; L. B. Montfort, Crown Manufacturing Association of America, Washington, D. C.; A. L. Faubel, Cork Institute of America, New York City.

Enough aluminum for 2,000 planes expected from housewives' donations

Housewives' donations of used aluminumware during the aluminum scrap collection campaign July 21-29 should permit construction of more than 2,000 additional fighting planes or 500 additional four-engine bombers, Robert E. McConnell, chief of the Conservation Unit, OPM, said on July 11.

Although only a part of the coffee pots and frying pans which housewives will give to the Government can be used directly in aircraft manufacture, virtually every pound collected will be used for essential defense needs, he said.

Donations release equal weight for planes

The donations of aluminum will free an equal amount in pounds of virgin aluminum to be used for aircraft purposes, so that whether the family coffee pot goes into an airplane or not, it releases an equal weight of aluminum for aircraft construction, Mr. McConnell explained.

Test campaigns indicated that a minimum of 15,000,000 net pounds usable in

defense manufacture will be collected in the Nation-wide campaign, which begins in every community in the United States July 21. A fighter plane containing 7,000 pounds of aluminum could be built with the metal freed by every donation of 5,000 dishpans, or 10,000 coffee percolators, or 2,000 roasters, or 2,500 double boilers (based on average weights).

Specifications being changed

Other OPM officials said that the Navy has already begun making changes in specifications to utilize the donated aluminumware in the defense program; all departments of the Army have begun the study of specification changes; The Army-Navy Aeronautical Board is continuing a special study at Wilbur Wright Field, Dayton, Ohio; and other Federal specifications have already been modified.

Aluminum experts in OPM and in private industry contended there is no difference in usability between a given quality of virgin aluminum and the same quality in reclaimed scrap aluminum.

Conversion of utensil plants to defense sought as aluminum dearth destroys jobs

More than 3,413 persons or about one-fifth of all the employees of the aluminum cooking utensil industry have been laid off or have quit their jobs as the result of the industry's present inability to obtain aluminum for nondefense products, the OPM was informed July 11.

This number of lay-offs and resignations represented the total for 14 of the 22 concerns in the industry. Information from the remaining companies is not yet available.

Consider conversion for defense

The possibility of converting these plants to defense production was discussed at a conference attended by representatives of several aluminum ware companies, the Aluminum Wares Association, organizations of the American Federation of Labor and CIO, the Priorities Branch of the Labor Division of OPM, and the Defense Contract Service.

It was agreed that two of the industry's best engineers should be selected within the next few days to discuss conversion

possibilities further with Government technicians.

The manufacturers reported that the industry had 16,000 employees and gross sales of \$36,996,705 in 1940. Their civilian "pots and pans" business is now practically gone, they said, because they are unable to obtain aluminum for this purpose and previously acquired stocks are either exhausted or nearly so.

Substitution difficult

The manufacturers expressed the opinion that there are no substitute materials by which production of cooking utensils could be continued with their present equipment.

In several communities, they said, more than 50 percent of all workers are employed by the aluminum cooking utensil plants.

Peter R. Nehemkis, Jr., of the Defense Contract Service, explained at the outset that the conference was not for the purpose of organizing either an industry or labor advisory committee to consult with OPM but merely to ascertain the facts.

LABOR . . .

Manpower functions of 12 U. S. agencies combined in new Labor Supply Branch

A new and concentrated approach by the Labor Division of OPM to the problem of filling skilled labor and manpower requirements in the expanding defense industries was announced July 9 by Associate Director General Sidney Hillman.

Flemming to direct branch

Under this new program, the defense work of twelve Government units, dealing with all phases of industry's needs for qualified labor, is combined into a new Labor Supply Branch within the Labor Division. The new branch will be directed by Commissioner Arthur S. Flemming of the Civil Service Commission. Mr. Flemming is also in charge of the Commission's defense recruitment activities.

Twelve regional labor committees set up

Twelve regional labor supply committees, combining the same twelve agencies with labor and management groups in the industrial areas of the United States, are established as outstanding features of the new reorganization. The set-up was described by Mr. Hillman as "unquestionably one of the most significant poolings of labor, management, and Government resources that has thus far taken place in the national defense program."

"The new organization is ready to function, and in fact is functioning now," Mr. Hillman said.

Answer to President's request

"On May 28, the President of the United States addressed a letter to me in which he said that he was disturbed about the number of defense industries which declared themselves unable to obtain enough skilled workers and supervisors to achieve full complements of labor on the second and third shifts. The President further stated that he would appreciate it if the Office of Production Management would arrange for the Labor Division to assume full responsibility for getting the necessary workers into the plants of these industries. In

response to these directions we have therefore organized in the Labor Division this new Labor Supply Branch which is an operating agency."

Committees to integrate field work

The defense field work of the various agencies in each area is integrated by the regional labor supply committees. The acting chairman of each committee is the regional representative of the Bureau of Employment Security. This arrangement derives from the fact that the State employment services, affiliated with this Bureau, have been designated by OPM's Labor Division as the official points of contact with industry for all phases of defense employment. By this means, defense industries in every locality of the United States will be provided with a simplified and effective machinery for hiring and training workers, and for the orderly transfer of workers who are unemployed or whose skills are not fully utilized in their present posts, and for all related purposes. Special measures will be taken to find equivalent jobs as far as possible for workers displaced by the application of mandatory priorities. Labor and management will be represented on the 12 regional labor supply committees, as well as Government agencies.

Cooperating agencies

Associated with Mr. Flemming in developing the work of the Labor Supply Branch will be the following officials:

Chief of the United States Employment Service; Chiefs of the Training-Within-Industry Branch, Defense Training Branch, and Priorities Branch, Labor Division, OPM; chairman, Labor Relations Committee, Labor Division, OPM; Minorities Adviser, Labor Division, OPM; Chief of Negro Employment and Training, Labor Division, OPM; Acting Commissioner of Labor Statistics, United States Department of Labor; Director of the Division of Training and Reemployment, Work Projects Administration, Federal Works Agency, Chairman, Committee on Apprenticeship Training Program, Division of Labor Standards, United States Department of Labor; Chief, Division of Research and Statistics, Bureau of Employment Security.

Labor committees established paralleling industry groups

Establishment of Defense Labor Advisory Committees corresponding to the Defense Industry Advisory Committees set up on June 24, was announced July 9 by Director General Knudsen, and Associate Director General Hillman, OPM.

The Labor Advisory Committees will consult with Government representatives in the various commodity sections and advise them on those aspects of defense production which are of primary concern to labor, as the Industry Advisory Committees will consult and advise on matters of primary concern to industrial management.

The general plan of organization already announced for the Industry Advisory Committees will also apply to the labor advisory committees, and the twin objectives—those of unifying the working relationship of the several OPM divisions with the industries which they are in contact, and of efficient liaison between defense agencies and industry—are the same.

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"Subcontracting for Defense" published by OEM

SUBCONTRACTING FOR DEFENSE, a new pamphlet telling how 10 large defense manufacturers have increased production by spreading work into other plants, was sent to all prime defense contractors July 14 by Robert L. Mehornay, chief of OPM's Defense Contract Service.

Designed to give prime contractors generally the benefit of the experience of the 10 manufacturers, the pamphlet says:

"These ten firms and hundreds of others like them have found the way for America to produce more weapons in less time . . .

"With the help of the Defense Contract Service and the wholehearted cooperation of the manufacturers, the difficulties of subcontracting can be and will be overcome. This is the only way in which every suitable existing factory may obtain defense work and the country be armed in time."

Copies of the pamphlet may be obtained from the Division of Information, Office for Emergency Management.

Hillman and Flemming discuss operation of new Labor Supply Branch

Associate Director General Hillman, OPM, at his July 9 press conference, discussed the operation of the new Labor Supply Branch of the Labor Division (described on p. 4). Participating also was Arthur S. Flemming, who will direct the new branch. Excerpts follow:

Q. Mr. Hillman, in that letter of the President to you, he suggested the transfer of workers from consumer goods industries, as I recall you reading it. Do you have any specific plans in that regard or any specific industries in mind from which to swing away labor to defense industries?

A. We have the organization set up right now that gives us all the information. So far, we have not been called upon to do it, but we will be organized if it is necessary. We have all the Government agencies under our direction to do it with and industry and labor to advise us the best way for doing it. But we have no specific industries in mind.

Q. Mr. Hillman, will your regional offices break their information down as far as individual plants?

A. I would like to have Mr. Flemming explain that to you.

Responsibilities fixed

Mr. FLEMMING. These Regional Labor Supply Committees—that is the designation that they have been given—the acting chairman, as the release indicates, is the present regional director of the Bureau of Employment Security, in other words, the man who has responsibility for the operation of the Employment Service in that particular region. These committees will come together for this purpose—let's say that they have been having a great deal of difficulty in recruiting the necessary number of personnel either for an industry in a particular region or for a particular major defense plant and that plant is being held up at the present time because of the fact that it hasn't got a sufficient supply of personnel. It is up to that committee to get an analysis of that situation through the information available to the Employment Service, through the information available to the Bureau of Labor Statistics and so forth; and it is up to that committee to devise a plan which will take care or lick that particular situation; and it is up to that committee to assign duties and responsibilities to the various agencies represented on that committee.

For example, it may be a more intensive recruiting program should be carried on than has been carried on in that particular area which is obviously the Employment Service job; or it may be that there is a possibility of solving that situation through a more intensive Training-Within-Industry program, obviously a job for the Training-Within-Industry people; or possibly they are not making the fullest possible utilization of the resources of the United States Government as far as defense training is concerned—vocational education or NYA—and if that is true, there will be an assignment to those particular persons.

Then, it is the responsibility of the chairman of that committee to see to it that those assignments are carried out and to see to it that the combined resources of the Government are concentrated on that problem until such time as the problem is solved.

May deal with plants sometimes

In answer to your specific question, in some instances it may be a major plant that will be given consideration at that particular level. In other instances, it may be an industry in that particular region that will be given consideration, and in still other instances that committee will be given an assignment direct from Washington—that is a complaint has been registered back here in Washington by the War Department or Navy Department that they are not able to get over a second or third shift and that they are delayed by reason of the fact that they haven't got sufficient personnel.

Q. Well, carrying out that program a step farther and assuming that some time in the near future we do embark on an all-out program and you get to the point where bomber factory X can't get skilled mechanics who are working in auto—this is purely hypothetical—will this committee be able to reach in and say, "Auto, you release 50 skilled mechanics to go to work in bomber factory X?"

Problems of Priorities Branch

Mr. FLEMMING. We can't answer that specific question at the present time. You will notice here in this release that a Priorities Branch has been created within the Labor Division. Mr. Brown is director of that particular branch, and he has got the problem of suggesting policies to Mr. Hillman which, when adopted, the marching orders necessary to put those policies into effect will be

carried out through the Regional Labor Supply Committee.

Mr. HILLMAN. In answering your question, that is what the President has asked us to do if necessary. If necessary, of course, that possibility will be explored.

Q. Is that then a form of labor priority just as we now have material priority?

A. We could work it out in a different way. The preferable way is to place the defense contracts with existing companies who will be affected by priorities, you see. That is why we have got Mr. Brown of priorities on the Labor Supply. We are taking all of that in. I don't think it will be necessary to a very large degree to do that; but if it becomes necessary, of course we will ask companies to release these people, guarantee them their seniority so that they can come back, you know, and ask the people to change their places and give their time to national defense.

Thinks labor compulsion unnecessary

Q. Doesn't this represent in effect some form of labor conscription for defense?

A. No, no; I don't think there will have to be any compulsion at all. If you tell the worker you will guarantee him his seniority so that he can go back to the job, he probably would rather go to a place where there is plenty of work than to the consumer industry where there may not be so much work.

Subcontracting helps

Q. So far you have been talking purely in terms of when a shortage arises. Is this committee also charged with preventive measures?

A. The reason they are not arising so much is because we have been doing a fairly good preventive job, and if we can go over as we do in our daily contact of asking for subcontracting—you have heard of that before. Now, the more we spread out subcontracting, of course, the less there is need for training labor because we bring the product to some of the places where the labor is available.

Q. Can you give us any indication of the problem ahead? Do you know what you are facing in terms of new and additional employees in shipbuilding, aircraft?

A. Well, of course, we haven't got all of them, but the new estimate totaling recent employment outside of agriculture—Bureau of Labor Statistics—2½ to 3 million. Of course, if we shoot up our program it will mean more. Required increase for defense, 1,400,000 additional workers between April 1941 and April 1942 on existing contracts; shipbuilding, 323,900; aircraft, 408,441.

PRODUCTION . . .

All-out substitution could replace 3/4 of tin ordinarily used in U. S., OPM is told

Silver may be substituted extensively for tin in solder to conserve tin and hasten accumulation of adequate reserves of it, a committee of the National Academy of Sciences advised OPM in a report made public July 10.

This suggestion topped a list of measures recommended by the committee as "the most ready means to bring about further conservation and substitution of tin, in actual emergency, or in order to facilitate the accumulation of an adequate stockpile."

The committee pointed out that, with the exception of imports from Bolivia, tin used in this country travels over long sea lanes on which shipping might be interrupted.

Three-fourths could be replaced

"By all-out substitution in every possible line, which would require construction of much special equipment, and at least temporary hardship, it is believed that at least three-quarters of the tin ordinarily used could be replaced," the group reported.

"This means that the domestic smelting of Bolivian ores will supply most of the irreducible minimum."

The United States stockpile of tin should be brought to such size, the committee said, that it would be adequate, in event of an emergency interrupting imports from outside the Western Hemisphere, to meet essential needs while new equipment was being built and new techniques adopted.

The committee estimated that large-scale replacement of tin in solder, plus a reduction in tin use already being made by can manufacturers at the request of OPM, would reduce total tin consumption about 25 percent.

Raw material cost would be same

Sixty-six million ounces of silver annually should be sufficient for "all-out" replacement of tin in solder, the group said. Forty to fifty pounds of tin may be replaced by 2½ to 5 pounds of silver, it added, and at present prices for tin and for industrial silver the raw material cost of 2½ percent silver solder is practically identical with that of an equal volume of solder composed of 45 percent tin and 55 percent lead.

The steps suggested by the committee

to bring about conservation and substitution of tin included:

1. Drastically, but progressively, and with care to give a reasonable time for acquiring skill in the use of higher melting solders and in other joining methods, decrease the amount of tin allowed for solder.

2. Expand the use of glass containers where feasible, with beer and "Class 1" food products as examples. (The committee said this "class 1" type of products includes baby food, sauerkraut, cherries and a few other acid fruits.)

Move to force substitution suggested

3. Progressively decrease the total amount of tin allotted to the can-making industry, thus forcing, but giving time for, an orderly development in the substitution of thin electrolytic tin plate and of black (untinned steel) plate for cans. (The can-making industry has already reduced the tin coating on many kinds of cans by 10 percent, at the request of OPM, and has voluntarily adoptedterne plate cans for most paints, oils, and some other products. Terne plate is black plate coated with a mixture of lead and tin.)

OPACS meetings scheduled with eight consumer durable industries

Meetings with representatives of eight consumer durable goods industries will be held week of July 14 it was announced July 11 by Joseph L. Weiner, assistant administrator of OPACS in charge of the civilian supply allocation division.

As in the case of a similar conference with representatives of the household mechanical refrigerator industry held Tuesday, July 8, these meetings are for the purpose of securing information from industries involved on their raw material needs and the most suitable methods of making necessary curtailments. These data will be used in working out allocations of scarce materials among competing civilian users with due regard for such factors as displacement of labor, the possibility of using plants involved in defense work, and the relative impor-

4. Restrict the use of new tin for cast or wrought bronze where silicon bronzes and the like are applicable.

5. Put emphasis upon adapting the design of bearings in new types of machinery and new models of old types to use lead-base rather than tin-base babbitt, to use thin rather than thick babbitt linings, or to use other than babbitt bearings.

6. Make drastic reduction in the amount of tin allowed for solid tin tubes for collapsible tubes and invoke practically complete avoidance of tinfoil for wrapping purposes. (OPM already has asked manufacturers of collapsible tin tubes for shaving preparations to produce tin-coated or tin alloy tubes instead of all-tin ones.)

7. Arrange for complete elimination of tin for pewter and probably in galvanizing.

8. Watch the use of tin in "tinning," i. e., applying protective coatings to other than tin plate, since this takes some 3,000 tons of new tin annually.

9. In all ways possible, foster early acquaintanceship of tin users with the intimate details of the behavior of substitutes so that when necessary their utilization may be prompt.

The recommendations are now being considered by OPM.

tance to consumers of the particular types of goods.

Representatives of the Labor, Priorities, Purchases, and Production Divisions of the OPM and other Government agencies have been invited.

Following is a list of meetings scheduled:

Monday morning, July 14—commercial refrigerators; afternoon, domestic laundry equipment; Tuesday afternoon, July 15—automobiles; Wednesday morning, July 16—air conditioning equipment; afternoon, metal furniture and furnishings; Thursday morning, July 17—heating equipment; Friday morning, July 18—cooking stoves and ranges; afternoon, July 18—miscellaneous household appliances.

Morning meetings will be held at 9:30 and afternoon meetings at 2:30.

Automotive Committee personnel approved

The Bureau of Defense Industry Advisory Committee of OPM announced July 10 the approval of eleven of the nineteen members of the automotive defense industry advisory committee, and the formation of a motortruck subcommittee.

Members of the automotive defense industry advisory committee announced, represent the manufacturers of passenger cars, trucks, buses, taxicabs, and fire-fighting equipment. The remaining eight members were to be selected from representatives of manufacturers of parts and components.

Those approved July 10 are:

R. I. Roberge, Ford Motor Co., Detroit, Mich.; Donaldson Brown, General Motors Corporation, Detroit, Mich.; B. E. Hutchinson, Chrysler Corporation, Detroit, Mich.; Paul Hoffman, Studebaker Corporation, South Bend, Ind.; George W. Mason, Nash-Kelvinator Corporation, Detroit, Mich.; Joseph W. Frazer, Willis Overland Motors, Inc., Toledo, Ohio; A. E. Barit, Hudson Motor Car Co., Detroit, Mich.; W. F. McAfee, International Harvester Co., Washington, D. C.; E. J. Bush, Diamond T. Motor Car Co., Chicago, Ill.; R. F. Black, White Motor Co., Cleveland, Ohio; R. F. Page, Jr., Autocar Co., Ardmore, Pa.

Truck subcommittee

The following have been appointed to the motortruck subcommittee:

M. E. Coyle, Chevrolet Division, General Motors Corporation, New York City; L. D. Cosart, Dodge Chrysler Corporation, Detroit, Mich.; R. E. Burns, Ford Motor Co., Dearborn, Mich.; Charles T. Ruhf, Mack Mfg. Corporation, Allentown, Pa.; I. B. Babcock, Yellow Truck & Coach Mfg. Co., Pontiac, Mich.; E. J. Bush, Diamond T Motor Car Co., Chicago, Ill.; W. F. McAfee, International Harvester Co., Washington, D. C.; Fred T. Macrae, White Motor Co., Cleveland, Ohio; T. R. Lip-pard, Federal Motor Truck Co., Detroit, Mich.

The automotive defense industry advisory committee was established to advise and consult with James S. Adams, chief of the Automotive Commodity Section, who has been designated Government Presiding Officer of both the automotive committee and the truck subcommittee.

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1,476 PLANES IN JUNE

The Office of Production Management announced July 9 that military aircraft manufacturers delivered 1,476 airplanes during June. Comparable final figures for May showed 1,334 deliveries.

Strip mills' light plate capacity to be increased by 754,000 tons

Capacity of wide strip steel mills to make light plates for ships, railroad cars and other purposes will be increased 754,000 tons to a total of 2,480,000 tons by the early part of 1942, the Office of Production Management announced July 10.

This increase in annual capacity will be brought about by construction programs now under way at a number of the mills.

W. A. Hauck, steel consultant of OPM, disclosed the outlook after visiting several strip mills and compiling results of a questionnaire submitted recently to the 13 mills rolling strip 54 inches or more wide.

654,000 tons to be added by end of year

Present total annual capacity of these mills is 12,941,400 tons, of which 1,726,000 is light plate capacity and 11,215,400 is capacity for the manufacture of strip (used in direct defense production and by the automobile, refrigerator, and other industries). Of the additional plate capacity to be provided, 654,000 tons will be obtained gradually by the end of this year and the other 100,000 will be available by March 1, 1942.

Capacity to be absorbed gradually

Light plate production on the strip mills in May 1941, was 103,772 tons. For the first 5 months of 1941 it averaged 97,013 tons per month, compared with a current capacity of 143,833 per month. This average unused capacity of 46,820 tons is to be absorbed gradually by the reallocation of suitable

orders for light plates and the placing of new orders.

Regulation for shift to be issued

A regulation will be issued shortly to all steel companies with strip and plate capacity, requesting them to reallocate to strip mills plates now scheduled for the regular plate mills, in cases where the sizes and quantities are better suited for strip mill production.

All new orders for light plates of sizes and quantities suitable for strip mill production will be allocated to strip mills in the best position to produce such plates when needed, Mr. Hauck said, adding that this arrangement should relieve the heavier plate mills of a considerable amount of the light plate tonnage more suitable for strip mills and enable them to concentrate on heavier plate orders.

Heavy plate capacity being increased

Additional heavier plate capacity is being installed by some of the companies that have strip mills, and more plate capacity is being provided also by companies not operating strip mills. Further additional plate capacity is proposed in the over-all expansion of the steel industry now under consideration.

Most of the plates rolled on strip mills are 5/8-inch or less in thickness, although four of the strip mills can also roll 3/4-inch plates. To obtain maximum production of light plates on strip mills, large tonnages in uniform sizes as to length, width, and thickness must be scheduled, since strip mills are geared for speed with little interruption.

INDUSTRIAL SPECIALISTS NEEDED FOR DEFENSE

Individuals who know industrial methods and processes from first-hand experience are needed to contribute their part toward the integration of the expanding defense program. The Civil Service Commission has announced an examination for industrial specialist positions paying from \$2,600 to \$5,600 a year. The examination (Announcement No. 102) is open for 1 month only. Applications will not be accepted at the Commission's Washington office after August 7.

Army finds substitutes for "critical" materials

Every effort is being made by the Quartermaster Corps to ease the demands that its enormous purchases of equipment for the Army make upon the available supplies of the so-called "critical" materials for which a shortage is either present or may arise soon under the national defense program, according to the War Department.

Orders have been issued that none of these materials be used unless the use of a substitute results in loss of efficiency.

PRIORITIES . . .

Urgency standings to vary machine tool deliveries to factories with identical ratings

Made necessary by the increasing demand for machine tools, a new plan regulating the distribution of these vitally needed defense machines was announced July 8 by E. R. Stettinius, Jr., Director of Priorities.

To fill greatest needs first

The plan has four main objectives:

(1) To make sure that the most urgent needs are filled first, so that, if two orders carry the same preference rating, and if the stipulated deliveries conflict, the order with the highest urgency can be given priority.

Reason: In some cases, orders for machine tools which carry the same preference ratings may actually have differing degrees of urgency. The new regulations set forth the "urgency standings" of various defense contractors, so that a selection can still be made between orders which carry the same ratings and on which deliveries conflict.

To aid other machine tool builders

(2) To make sure that deliveries of important machine tools to other machine tool builders and to producers of such equipment as cranes, cutting tools, gages, micrometers, and chucks, are expedited.

Reason: One of the prime needs for machine tools is in those plants where machine tools, and production equipment of the kind mentioned, are being built. In other words, the machine tool industry must have machine tools in order to turn out machine tools. Therefore, the need for giving tool builders a high degree of priority is of major importance.

For deliveries to Britain

(3) To prevent the disturbance or dislocation of scheduled deliveries to Great Britain or other parts of the British Empire, including Canada.

Reason: It is a matter of policy to give British orders equal standing with Army and Navy orders. But some British orders do not carry preference ratings high enough to assure delivery when needed. Therefore, it has been decided to "freeze" the British tool orders hitherto placed and make sure that deliveries are made when needed.

(4) To reduce interference with existing delivery schedules of machine tool builders by "freezing" deliveries of certain tools for specified periods, and by providing that when tool builders receive new high-rated orders, these orders do not become mandatory until the expiration of a specified "period of grace."

Reason: Because of the complex nature of the machine tool industry, and the production problems involved, it is desirable to prevent all unnecessary dislocations. The provision of a "period of

grace"—30 days for some tools and 60 days for others—will help producers to adjust their schedules smoothly.

Master Preference List

One of the major instruments in the system announced is a "Master Preference Numerical List" of defense contractors who have urgent need for machine tools. This list is applicable to machine tool orders only.

Contractors on this list, who have ordered machine tools, have been given preference ratings ranging from A-1-a to A-1-g, which apply to their orders. But they are now also given specified "urgency standings" within their rating classes by the new list.

Priorities granted to aid construction of \$45,000,000 steel mill in Brazil

Priority aid for the construction of a \$45,000,000 steel mill in Brazil has been assured by the Office of Production Management, acting on recommendations of the Department of State.

The decision to aid Brazil through priorities is in accordance with this Government's policy of assisting the other American republics to obtain essential materials in this country, insofar as this is compatible with our own defense requirements.

The National Steel Co. of Brazil has already started ground-breaking operations. The priority aid permitting the company to obtain steel, machinery, and many other kinds of equipment promptly, is designed to make possible the completion of this mill within 2½ to 3 years.

\$20,000,000 loan by U. S.

Of the total cost of \$45,000,000, the sum of \$20,000,000 is being supplied through a loan from the Export-Import Bank. The rest is being supplied by the Brazilian Government and Brazilian financial institutions. The \$20,000,000 supplied by this country is to be spent in the United States, through contracts with from 250 to 300 different manufacturers and suppliers.

The contracts and orders involved will be given priority ratings sufficiently high to secure adequate deliveries without delaying deliveries of our own defense contracts.

As a result of the conversations held

at Washington in the early part of 1939 between Dr. Oswaldo Aranha, the foreign minister of Brazil, and officials of this Government, a commitment was made on the part of the United States to assist Brazil in the development of its economic resources and of its industries.

Expected to relieve arms program pressure

The steel mill project was thereafter presented by the Brazilian Government as the most important single item in this program. Such a mill will provide for the utilization of a portion of Brazil's vast natural resources and will also tend to improve the general standard of living of the country and thereby increase the market for products of the United States.

The output of the Brazilian steel mill will to that extent relieve the pressure on American industries in the prosecution of the Brazilian rearmament program.

The recommendations of the Department of State were concurred in by the Army and Navy Munitions Board, the Office of Price Administration and Civilian Supply, and the Coordinator of Commercial and Cultural Relations between the American Republics. The OPM's Priorities, Production and Purchases Divisions and the Army and Navy Munitions Board have worked out a program which will permit construction of the mill according to schedule and without interference with the defense program.

Copper control extended to alloys and fabrications; defense given preference

Major amendments to the General Preference Order providing priority control over copper were announced July 10 by Director Stettinius.

The amendments to the copper order (M-9) extend control to cover copper-base alloys and fabricated products made from copper or from copper-base alloys, such as brass or bronze. The original order was designed to regulate the distribution of refined copper in prefabricated form by refiners.

Defense orders must be preferred

In the first order it was provided that refiners, after setting aside a quantity of copper for an emergency pool, were to distribute the remaining copper so that each customer would receive an equal percentage of the orders he had placed. Because of the shortage in copper, the amendment removes this provision and stipulates that, after copper has been set aside for the pool, defense orders must be given preference over nondefense orders.

July pool 20% of April production

The amendment provides that for July the emergency pool, out of which the Director of Priorities may make allocations to meet urgent needs, will remain at the same figure—20% of April production. It is stated, however, that additional changes are to be made in the copper order later on to provide a fuller measure of control over all copper supplies.

Shortage of 350,000 short tons indicated

Figures on copper supply indicate that the total amount of refined copper available in this country from all sources during 1941 may range as high as 1,600,000 short tons. But total military requirements, plus civilian demand, are expected to range close to 1,950,000 short tons, thus indicating an over-all shortage for the year of approximately 350,000 short tons.

All these figures are estimates. The shortage would be increased by any shipping difficulties which prevented this country from obtaining additional supplies of refined copper from Chile.

Cuts necessary in civilian use

Since defense demands must be filled first, the shortage in copper will require sizable cuts in the amount of copper

available for civilian purposes. Military demands for copper have increased recently and it appears that during 1942 the strictly military demand alone will take the great majority of copper produced from domestic ores.

Copper order amendment

The amendment to the copper order contains the following major points:

(1) Provisions of the order apply to deliveries of copper, copper-base alloys and copper products, as defined in the order.

(2) All defense orders are granted a preference rating of A-10 unless higher ratings are specifically assigned.

(3) Copper products covered by the order may be shipped to non-defense customers only after all defense orders have been provided for.

(4) The Director of Priorities will allocate out of the emergency pool to meet urgent needs and will also allocate all copper owned by the Metals Reserve Company.

In the order, it is pointed out that fabricators are to use any available copper they have to the extent necessary to fill defense orders before making any application to the Director of Priorities for an allocation of copper out of the emergency pool.

Order places chromium under full priority control to build up stockpiles

Chromium was put under full priority control July 7 in an order signed by Priorities Director Stettinius.

Mr. Stettinius announced July 11 that chromium has been removed from General Metals Order No. 1. The new priority control order itself contains provisions designed to prevent the accumulation of excess inventories.

Vital in defense, the metal is required for hardening steel, for the production of high-speed cutting tools, for the manufacture of refractory brick for lining steel furnaces, and for many chemical uses.

A whitish metal, capable of taking a brilliant polish, harder than iron or nickel, chromium is used widely in both civilian and defense channels. A typical civilian use is for high-strength steel used in the automobile industry. A typical military use is for increasing the toughness and shock-resistance of ordinary steel.

The United States is dependent almost wholly on imports for its supplies of chromite ore. The Government stockpile is not large enough, consumption is moving up, and the increasing pressure on shipping space may restrict imports in future months. Conservation of chromium and stockpiling are major reasons for this order.

The order issued today has five main points:

(1) It provides that all defense orders carry a preference rating of A-10 unless higher ratings are specifically assigned.

(2) It provides that monthly deliveries of chromium for use in the manu-

facture of chemical products must be limited to the average monthly consumption of the processor over the 12-month period July 1, 1940-June 30, 1941.

(3) The order states that deliveries by processors of chromium for refractory material can be made only under defense orders or for necessary maintenance and repairs, except when the Director of Priorities provides otherwise.

(4) The order provides that, after the satisfaction of defense orders and all other terms of the order, deliveries for nondefense purposes may be made.

(5) It provides restrictions against building up of excessive inventory.

Further ship shortage would be serious

Current figures indicate that the consumption of chromite ore in this country at the present time is at the rate of between 750,000 and 800,000 long tons. The future rate of imports is not assured. Since almost all chromite ore used in this country is imported, increased pressure on shipping space or any other developments which tended to cut off the supply would cause a very serious situation.

Most of the United States supply of chromite ore in recent years has come from Africa, the Philippines, and Turkey. Approximately 2½ tons of metallurgical ore are required to make 1 ton of ferrochromium, ferrochromium being between 60 percent and 70 percent pure chromium. About 75 percent of the ore is used in the steel industry, both for alloying purposes and for use in refractory materials for furnaces.

MEDIATION BOARD . . .

Issues settled in one strike, another postponed; a third being investigated

The National Defense Mediation Board last week (July 7-13) obtained an agreement settling the issues in one case and postponing a strike in a second; it made recommendations in a third, and dispatched a special representative to investigate the issues in a fourth case where the union had gone on strike after rejecting the Board's recommendations.

At a full Board meeting on Thursday, July 10, attended by 21 members and alternates, a resolution was adopted to rotate the vice chairmanship of the Board every 2 months among the public members. Under this system, Dr. Frank P. Graham, president of the University of North Carolina, will be vice chairman of the Board for the ensuing 2 months. The rotation works first by seniority and, if seniority of appointment is the same, goes by alphabetical order.

Sealed Power Corporation

At a membership meeting on Monday, July 7, of the United Auto Workers—AFL, the Board recommendations for settling its dispute with the Sealed Power Corporation of Muskegon, Mich., were rejected, and the union went out on strike the following day. The panel, consisting of Judge Walter P. Stacy, George H. Mead, and Edward J. Brown, thereupon reconvened and on Friday, July 11, dispatched Frederick H. Harbison to Muskegon to investigate the issues.

At the same time the Board sent the following telegram to both parties:

The National Defense Mediation Board wishes again to emphasize to both parties to the dispute between the Sealed Power Corporation and the United Auto Workers of America, Local 637, AFL, that the present strike is obstructing the production and transportation of materials and equipment which are vitally necessary to the defense of this country. The President in his recent proclamation of the existence of an unlimited national emergency stated "I call upon all the loyal citizens engaged in production for defense to give precedence to the needs of the nation to the end that a system of government that makes private enterprise possible may survive. I call upon our loyal workmen as well as employers to merge their lesser differences in the larger effort to insure the survival of the only kind of government which recognizes the rights of labor or of capital." In view of the President's proclamation and with a conviction that all parties and individuals involved in this dispute are patriotic citizens devoted to the defense of this nation the

National Defense Mediation Board calls upon all parties to take at once whatever steps are necessary to secure the immediate resumption of production. Mr. Frederick H. Harbison, a representative of this Board, is now on his way to Muskegon, Mich. Mr. Harbison will investigate thoroughly all facts bearing upon the present dispute and report back to the Board. The Board will review his report and findings of fact and take final action in the matter as soon as possible and in any case within a period of 30 days.

The company makes piston rings on subcontracts for defense production.

Cheney Brothers

After day and night sessions on July 8 and 9, an agreement was reached at noon on the 10th settling the dispute between the Textile Workers Union of America—CIO and Cheney Brothers of South Manchester, Conn. A threatened strike had been postponed at the request of the Board. Complete agreement was reached on the following issues involved in the dispute: wages, vacations with pay, and the closed shop. The company, which employs 2,300 workers, manufactures parachute fabrics and machine parts for plane factories. Members of the panel were Dr. Frank P. Graham, Rolland Hamilton, and Hugh Lyons. The agreement is subject to union ratification at a meeting to be held July 14.

Pittsburgh teamsters

The Board on July 10 made public its arbitration award in the dispute between the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers—AFL and 189 trucking concerns in Pittsburgh. A strike involving 2,800 men had been called off at the request of the Board and on the understanding that both parties would abide by an arbitration award, the Board to be the arbitrator. The strike held up 30 million dollars worth of defense material.

The main points of the award were that all employees other than those working on heavy-duty trailers and helpers on machinery would receive an increase in hourly wage rates of 7½ cents above those prevailing immediately prior to the strike. Workers on heavy-duty trailers and helpers on machinery would receive a 10-cent per hour increase. The award also contained provisions regarding vacations, arbitration machinery, lay-over time, and minimum pay for those called to work. Members of the panel

were Dr. George Stocking, John Connelly, and Herbert Woods.

Federal Shipbuilding Corporation

Following 3 days of hearings, the Board on July 10 announced that agreement had been reached in many of the issues in the dispute between the Federal Shipbuilding Corporation of Kearny, N. J., and the Industrial Union of Marine and Shipbuilding Workers of America—CIO. Chief points at issue were the union shop, vacations, and grievance machinery. The corporation has over 200 million dollars in contracts for the Navy Department.

The panel in the dispute was to convene July 14 to consider the issues not yet settled.

Western Cartridge Co.

In accordance with an agreement reached July 3, the Western Cartridge Co. and the Chemical Workers Union—AFL, opened negotiations in East Alton, Ill., July 5. The next day, the union wired the Board that negotiations were not progressing satisfactorily and requested that they be brought before the Board in Washington. In accordance with this request, hearings opened in Washington on July 11.

In accordance with a request by the Board, the Steel Workers Organizing Committee—CIO, postponed a threatened strike of 2,200 men at the Scullin Steel Co., St. Louis, Mo. The SWOC is demanding recognition for its own members in the steel plant which has contracts for bombs and other material for the British Government. A hearing is set before the Board for July 14.

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Dr. Weaver appointed to Labor Supply Branch

Associate Director General Hillman, CPM, gave emphasis to the drive for Negro employment in defense industries July 10 by announcing that Dr. Robert C. Weaver has been appointed one of the twelve officials of governmental agencies who make up the newly created Labor Supply Branch of the Labor Division.

At the same time, Negroes were given representation on the Regional Labor Supply Committees, just established by Mr. Hillman.

Scrap schedule changed to aid copper precipitation

Price Schedule No. 4, establishing ceiling prices on scrap iron and steel, was modified July 12 by OPACS so as to facilitate the purchase of certain kinds of scrap used by some copper companies in a precipitation process for the recovery of copper from mine waste water. This process, known as "leaching," contributes in an important way to the supply of copper.

The modification provides that for precipitation purposes copper companies may purchase precipitation iron scrap at a price not exceeding the shipping point price limitation for such scrap contained in the price schedule, plus all actual transportation charges from the shipping point to the consumer's plant.

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Nevada organizes county defense councils

County defense councils have been organized in 15 of Nevada's 17 counties, and organization is expected to be completed soon, according to a report from Hugh A. Shamberger, chairman and executive director of the State defense council. Members of the State council assisted in establishment of the county councils.

Each county council is expected to include the chairman of the county commissioners, a sheriff, an attorney, chairman of the county Red Cross, a representative of the largest city, a representative from each community not otherwise represented, and representatives from the following groups: veterans, labor, farmers or miners, women's organizations, businessmen's organizations, educators, and others.

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WPA will survey 200,000 groups for home defense

More than 200,000 national, State and local civilian organizations with memberships of 50,000,000 individuals will be surveyed and catalogued by the WPA during the next 60 days for the parts they can play in home defense, Howard O. Hunter, Commissioner of Work Projects, announced July 9.

The project will provide basic information for programs of the Office of Civilian Defense, under the direction of Director F. H. LaGuardia, and other agencies.

Federal drive shifts much business from anti-American agencies in hemisphere

Undesirable agents in Central and South America of United States business firms have lost more than 1,000 accounts since the Federal Government moved to eliminate all agents discovered to be engaged in anti-American activities, it was announced July 11 by the Office for Coordination of Commercial and Cultural Relations between the American Republics. In some cases a single anti-American firm has lost as many as 15 accounts and many have lost 5 or more.

17,000 firms cooperate

Despite the complexity and expense of terminating contractual relations, more than 50 percent of the United States business being handled by anti-American agents has been canceled so far, and work is proceeding to eliminate the balance.

With the cooperation of 17,000 export firms in the United States, a close check is being kept of all new or prospective representatives or new accounts that companies in this country undertake. So far only one case has come to the attention of the Government where a United States firm inadvertently has taken on an agent who had been dropped by a competitor. This was immediately rectified.

Collect data on anti-American activities

As a result of the Government's program, which has been undertaken jointly by the Departments of Commerce and State, and the Office of the Coordinator, machinery has been set up to insure a

continuous flow of information on undesirable firms and also on satisfactory agencies which are available to United States agents in the other Republics. Important information is being systematically collected and analyzed, and is being made available to all Government departments and agencies.

Replace undesirable employees

A further result of the Government's program has been the replacement by many United States companies having branch operations or travelling representatives in Latin America, of certain managers, employees, and travelling representatives. In addition, there have been numerous liquidations or reorganization of undesirable agencies as the result of the loss or threatened loss of United States business accounts. In a number of important cases such steps have resulted in the elimination of anti-American influence in the firms.

Export industry cooperates in program

In commenting on the progress of this program, Coordinator Mr. Rockefeller said: "The Government has had excellent cooperation from the export industry as a whole, including the trade associations concerned with foreign trade problems. Exporters in this country recognize the importance of having their interests and the interests of the Nation represented in the other American Republics at all times by firms and individuals whose loyalty to the policy of hemisphere solidarity cannot be questioned."

Radio concerts to aid Defense Bond campaign

"America Preferred," a new radio program in support of the campaign for sale of Defense Savings Bonds and Stamps, will be presented on the Mutual network every Sunday morning, Secretary Morgenthau announced July 9. The series began July 13 and will run for nine more weeks.

The program, which will feature concert and operatic stars of foreign birth, will be broadcast from 11 to 11:30 a. m., eastern standard time.

Lake ore movement surpasses 1940 figure by 66.9 percent

The lake carrier fleet has moved this season, prior to July 1, a total of 28,825,921 gross tons of iron ore, as compared to 17,268,690 during the corresponding period in 1940, an increase of 11,557,231 gross tons or 66.9 percent. For the month of June alone the movement totaled 10,789,929 gross tons as compared to 9,525,494 during June 1940, an increase of 1,264,435 tons or 13.3 percent. All efforts are being continued to promote maximum transportation.

PRICES AND CIVILIAN SUPPLIES . . .

Textile sellers warned not to exceed ceiling prices for cotton grey goods

Sellers of cotton grey goods were warned July 9 not to exceed recently announced ceiling prices in a statement issued by Administrator Henderson, OPACS.

Offers above limit reported

Mr. Henderson's warning against non-observance of the ceiling prices was occasioned by reports that mills have been offering to make deliveries at prices above the ceiling. This is being done in accordance with contracts made prior to issuance of the price schedule at prices exceeding the scheduled ceilings. The practice is being followed on condition that the buyer agree to make payments at the contract price with the understanding that, should the OPACS price ceilings be found valid, the mill would refund to the buyer any excess received over the ceiling.

Device would nullify effect of ceilings

Mr. Henderson declared that this device, if employed, plainly places the buyer, as well as the seller, in noncompliance with the schedule and will force him to consider both as such. Its effect, according to Mr. Henderson, is not only to misrepresent the nature of the price

ceilings, but also to maintain recent inflated textile price levels.

This device, Mr. Henderson pointed out, would virtually nullify the restraining effect of the ceiling prices upon cost of textile products. Under such an arrangement ordinary business caution would lead the buyers of these grey goods to include in their cost, and in turn in their selling prices, not only the ceiling price of grey goods but the additional sum over the ceiling. These buyers, therefore, would quote prices on finished textiles which would continue to reflect the inflated textile prices existing before the price schedule was issued.

Precautionary measures urged on buyers

Mr. Henderson said that buyers who are invoiced for grey goods at prices in excess of the ceiling should immediately write to the seller requesting him to revise his invoice to conform to the price schedule. If the seller declines to make a revision, the buyer is urged to communicate with OPACS, in accordance with section 1316.5 of the schedule. This procedure, Mr. Henderson stated, constitutes a practicable and desirable means for collaboration between the trade and OPACS in securing compliance with the ceiling prices.

Steel allocated for grain bins to alleviate storing shortage

Aid for farmers facing a serious shortage of storage space for grain now being harvested was assured July 7 by OPACS Administrator Henderson, when he issued a civilian allocation program providing for emergency preference ratings on 15,000 tons of sheet steel to be used in construction of grain bins.

The program provides that emergency preference ratings effective for obtaining such material shall be issued to the extent determined by the Office of Production Management to be consistent with the defense program. The allocation program includes 10,000 tons of galvanized sheets, of which approximately 6,000 tons had already been delivered to grain bin manufacturers by July 7, and 5,000 tons of black sheets. It was announced that in allocating the remaining tonnage of galvanized sheets the director of Priorities would, as in the case of the tonnage already allocated, grant individual preference rating certificates among manufacturers in such manner as might be feasible.

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Grain transport satisfactory

Harvesting of the winter wheat crop was delayed by heavy rains which greatly reduced its volume. The crop has been handled without difficulty so far as transportation is concerned, according to the Transportation Division, OEM. On July 9, the railroads still had in excess of 20,000 grain cars stored and conditioned for wheat loading. Storage space at some of the principal terminal markets is filling up, although it now appears that the southwestern markets, particularly, may not encounter a storage problem. At Kansas City the grain trade notified all concerned on July 9 that Kansas City could not accept any more wheat for storage or loan unless prior arrangements are made by each shipper to insure unloading upon arrival at Kansas City. While so-called free wheat shipped to Kansas City for sale on the open market may still be handled without restriction, it is hoped that by reducing the movement of wheat for storage at that point this action by the grain trade will make unnecessary any placement of embargoes by the railroads.

4 appointments in civilian allocation

Four appointments to the Civilian Supply Allocation Division, OPACS, were announced July 9 by Joseph L. Weiner, chief of the division.

Dr. Reavis Cox, chairman of the marketing department of the Wharton School of Finance and Commerce, University of Pennsylvania, was named assistant director, in which capacity he will exercise general supervision over allocation programs.

Dr. Arthur R. Burns, professor of industrial organization at Columbia University, was appointed special assistant to Mr. Weiner. For the present he will supervise preparation of allocation programs in the consumers' durable goods field. Dr. Burns came to Columbia University 13 years ago and during the past 2 years has been directing research on

the Government's electric power policy for the Twentieth Century Fund.

Dr. Donald B. Keyes, head of the chemical engineering division at the University of Illinois, has been retained for approximately 2 months to set up a chemicals and drugs section. From 1918 until his appointment at the University in 1926, he was connected with the U. S. Industrial Alcohol Co. and the U. S. Industrial Chemicals Co., as chemical engineer and director of research.

Nathaniel G. Burleigh has been employed to establish and head the general products section, which will develop allocation programs affecting a wide range of commodities. Mr. Burleigh has been professor of industrial management at the Amos Tuck School, Dartmouth College, since 1919.

Maritime Commission reassures OPACS on intercoastal ships

Enough vessels will be retained in the inter-coastal service to assure continuation of important movements of commodities requiring water transportation between the Atlantic and Pacific seaboards, barring only developments of conditions much more serious than now anticipated, according to information received by OPACS from the Division of Emergency Shipping of the United States Maritime Commission.

Necessary withdrawals of tonnage will be made in as orderly a manner as possible so as to avoid throwing a sudden and unreasonable load upon the rail carriers, according to the information provided OPACS.

In commenting upon this information, OPACS Administrator Henderson describes it as unusually important in that it assures reasonable rates for transportation to the Pacific Coast of iron and steel products from mills adjacent to the Atlantic seaboard and for the transportation of lumber and other essential commodities from the Pacific Coast to eastern seaboard consuming centers.

The administrator also pointed out that transportation charges are an important factor in commodity prices and that unduly high freight rates, whether rail or water, tend to raise prices and make more difficult the maintenance of reasonable price levels.

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Small firm granted limited relief from price schedule

Limited relief from provisions of the iron and steel price schedule has been granted by the OPACS to W. Ames & Co., of Jersey City, N. J., operating a relatively small warehouse and jobbing mill.

Because the greater part of its product is sold in small lots on a warehouse basis, without use of the basing point system, the Ames concern asked, and was granted, permission to sell bars, angles, and spikes at prices of \$2.85, \$3.10, and \$3.45 per 100 pounds, respectively, or from 36 to 45 cents per hundred pounds above ceiling prices on equivalent products.

Action of OPACS in this instance was taken under its established policy of affording relief in any special situation where ceiling prices result in undue hardships.

Locomotives and urban and interurban buses and cars given preference

Action to relieve a critical shortage of locomotives of all kinds was taken July 7 by the Civilian Supply Allocation Division of the OPACS through issuance of an allocation program giving preferential delivery status to materials and equipment essential to their construction.

Additional locomotives urgently needed

Imperative demand of the defense effort for iron, steel, and other materials has caused scarcities. OPACS' allocation programs aim to insure an uninterrupted and unretarded flow of supplies to civilian manufacturers of goods and equipment most necessary to the public welfare. Additional railroad, mine, and industrial locomotives and freight cars are urgently required.

To insure adequate transportation facilities for the traveling public, OPACS,

through the Civilian Supply Allocation Division, issued on July 7 an allocation program providing preferential status on deliveries of materials and equipment used in the construction of cars and buses for urban or interurban lines. A serious shortage of these types of passenger transportation equipment exists.

OPACS thus places the two classes of manufacturers on a par with freight car builders in their prior right to materials and equipment over other civilian uses. The allocation program for freight car materials was issued June 10, 1941.

The two new programs provide that deliveries of material and equipment necessary shall be given preference over all material and equipment going to any other civilian uses, subject only to a prior preference to deliveries for all such material and equipment as may be required under contracts with the United States or any department or agency thereof.

Tanker loads to be increased as permitted in new law

Deputy Petroleum Coordinator Ralph K. Davies telegraphed the 22 companies engaged in the Gulf to East Coast oil trade and suggested that they take immediate steps toward carrying increased loads, as permitted by the load-line act which received Presidential approval the week before. The establishment of the new load-lines on all the tankers, it is estimated, will result in an increase of East Coast receipts by 30,000 to 40,000 barrels daily. In response to the Deputy Coordinator's telegram, a number of companies notified him that they were proceeding immediately to establish new load-lines.

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109 merchant ships transferred to Army, Navy

Transfer of 109 merchant ships to the armed forces of the United States to expedite their expansion under the national defense program, has been made to date by the Maritime Commission, it was announced by the Commission July 9.

J. Elmer Thomas appointed fuel consultant

Appointment of J. Elmer Thomas, petroleum analyst of Fort Worth, Tex., as advisory consultant in the fuel section of the Price Division, OPACS, was announced July 8 by Dr. J. K. Galbraith, assistant administrator in charge.

Mr. Thomas will organize in the fuel section a staff of technical experts drawn from the oil, gas, and coal industries. The new consultant has had 27 years of widely varied experience in the oil business as a petroleum geologist and economist. For several years he was an independent oil operator. In 1937 he served as United States delegate to the Second World Oil Congress in Paris and in 1930 was chairman of the Committee on Petroleum Economics by appointment from the Secretary of the Interior.

Assisting Mr. Thomas temporarily in his organization work will be Allen F. Hand, Los Angeles, who has been active for many years in the California branch of the oil industry; Alden W. Foster, Pittsburgh, consulting geologist specializing in gas properties; Joseph Gordon, New York, petroleum economist for Fenner & Beane, New York; and Robert N. Moore, Decatur, Ill., a distributor of petroleum products in the Central States.

Henderson calls on hide suppliers to continue classifying before sale

Packers and other suppliers of hides and skins to the tanning industry were called upon July 9, by OPACS Administrator Henderson, to continue the customary trade practice of selecting and classifying hides and skins before sale.

At the same time, Mr. Henderson issued a statement designed to clarify for the trade certain other questions which have arisen under the price schedule for hides.

Threatened abrogation of the practice of selecting and classifying hides, kips, and calfskins as result of the imposition of ceiling prices, Mr. Henderson said, would break down established standards and would interfere with the flow of hides and skins into those channels where they can be used most effectively.

Responsibility is on the trade

The trade itself bears the primary responsibility for maintaining the established practices of selecting and grading, Mr. Henderson stated. OPACS expects it to meet that responsibility.

In all cases where it has been customary in the past, hides should continue to be sold on a selected basis for No. 2s, hide defects, grubs, cutthroats, etc.; and seasonal adjustments, as well as weight allowances for manure and tare should be made, the administrator said. Similarly, present trade practices as to selection, condition and delivery of kips and calfskins should be maintained, including the existing system of 20 to 30 days' cure,

and taring and banking or draining skins. Sales of kips and calfskins on a selected basis for No. 2s, buttermilks, runners, grassers, etc., where followed formerly, likewise should be continued.

Other clarifications

Excerpts from the text of Mr. Henderson's clarifying statement on certain other questions that have arisen under the hide price schedule follows:

The maximum prices established by Price Schedule No. 9 for hides, kips, and calfskins do not apply to the sale of croupions, dry hides, or slunkskins. It must be emphasized, however, that if it is brought to the attention of OPACS that the price of these materials rises to an extent disproportionate to the maximum established by the schedule, appropriate action will be taken.

May employ broker on commission

Price Schedule No. 9 provides that a buyer or seller of hides, kips or calfskins may employ a broker to buy or sell, as the case may be, and for that service may pay a commission of not more than 3 percent of the purchase price which may be added to the maximum price established by the schedule, provided that the commission for this service is not charged to both buyer and seller.

However, in particular cases where special services beyond securing the buyer or seller are performed, a broker may act on behalf of the buyer for one purpose and the seller for another, and re-

ceive compensation from both so long as in no case the aggregate of the two commissions exceeds 3 percent of the applicable maximum price established by the schedule.

Dealer's charges

A dealer who, for his own account, sells hides or skins to a tanner may, at the request of that tanner, perform the receiving service as the tanner's agent and, subject to the limitations contained in Section 1314.14 of Price Schedule No. 9, charge the customary receiving fee.

In cases where dealers make a selection of special premium hides from ordinary selections to meet the requirements of speciality tanners, exception may be made to the maximum prices established by the schedule upon proper application to OPACS.

Must have OPACS permission

In all cases permission must be secured from OPACS before final settlement of the transaction can be made at a price higher than the established maximum. Copies of an application form can be procured from the Office of Price Administration and Civilian Supply.

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Food Products Section executives announced

Initial executive staff for the Food and Food Products section of the Price Division, OPACS, was announced July 8 by Dr. J. K. Galbraith, assistant administrator in charge.

Harold B. Rowe, who has been economic adviser to Miss Harriet Elliott, was appointed price executive. Mr. Rowe is on leave from Brookings Institution, where he has been employed since 1933.

A. C. Hoffman was appointed principal economist. He comes to OPACS from the division of marketing and transportation research, Bureau of Agricultural Economics, Department of Agriculture, where he has served also as principal economist for the past 6 years.

Victor L. Lea was named principal business specialist with particular reference to fats and oils. Mr. Lea has been manager of the commodity department of Fenner & Beane, New York, for 8 years and has been teacher of economics and commodity price analysis at the Stock Exchange Institute for 11 years. He came to Washington at the request of the Bureau of Labor Statistics as economic consultant on fats and oils.

No action contemplated on meat prices

OPACS Administrator Henderson released, on July 10, the text of a letter in which he assured Representative Coffee that OPACS is not considering action on meat or livestock prices. The letter follows, in part:

Following our recent meeting with the representatives of the livestock producers, I want to assure you again that the step which we have taken in this office to check the speculative increase in hide prices should not be taken as indicating that we are contemplating action on livestock prices or the price of meat.

While under present circumstances you will understand that no one can make any long range promises, I do want you to know that no such step has at any

time been under consideration in this office nor do I see any present likelihood of such action. I would be very disturbed if anticipation of such a step should handicap the stocking of feeders during the coming year, and I would like livestock producers to know that I keenly appreciate the importance of maintaining a fair margin between the cost of feeder cattle and the price of finished stock. I know that a good many farmers are feeding cattle this year on a very narrow margin over the high prices paid for feeder stock and that actual losses have been considerable in spite of a relatively strong beef market. Protection of feeder margins as well as fair returns must always be a factor in any consideration of cattle or meat prices.

News for Retailers

Canned Foods

Defense agencies are currently active in plans to procure canned vegetables for the Army and Navy. On the basis of new estimates that the needs of the two services from the 1941 vegetable pack will total about 10 million cases, OPM officials believe that, with proper response by canners to bid invitations, significant price increases or shortages for civilian purchases can be averted or minimized.

Army and Navy purchases and increased consumer demand have led canners to contract for increased acreages for truck crops and it is likely that the 1940 total pack of 120 million cases of canned vegetables will be exceeded in the 1941 canning season. Recent reports of the United States Department of Agriculture indicate that the acreage planted to important processing truck crops is about 15 percent more than in 1940, and good yields are in prospect.

As an additional precaution, to assure increased output of canned food supplies, the Office of Price Administration and Civilian Supply has provided for allocation of equipment and materials required by the canning industry for the construction and repair of food processing machinery. This emergency allocation program will extend until August 1 and will operate to prevent scarcity of canning equipment and forestall a resultant loss of part of the year's perishable fruit and vegetable crop.

After August 1, repair and maintenance materials for the canning industry will be provided under the joint OPM-OPACS program to give priority status to essential civilian services. The Civilian Supply Allocation Division of OPACS is initiating a broad effort to assist food industries in operating at top efficiency and in expanding production where advisable. As an example: machinery will be made available for increased output of canned milk, processed cheese, and other processed and preserved foods wherever the Department of Agriculture indicates that supplies, fuel, and power are available.

Further to supplement commercial supplies and prevent fruits and vegetables from going to waste, a program is under way to promote cooperative canning and storage of local surpluses which may remain after commercial marketing. Under

the joint sponsorship of the Consumer Division of OPACS, the Department of Agriculture and the Coordinator of Health, Welfare and Related Defense Activities, local community resources are being enlisted for storing, drying, and preserving such surpluses. These foods will then be made available to school lunch programs, community kitchens in defense communities and similar community food programs.

Consumers can assist in collecting the local surpluses and contributing jars, and in the preparation and processing in community centers, school home economics departments and other local centers with available facilities. Retail and wholesale dealers may find it possible to contribute fruit and vegetable supplies which are unsold and which are suitable for preserving.

Tires

The fact that Administrator Henderson does not consider it necessary to set maximum prices for rubber products at this time should be sufficient indication to civilian buyers that adequate supplies are available at fair prices, OPACS rubber price executives pointed out this week.

The establishment of ceiling prices on auto tires, tubes, and other rubber products, contemplated last month by the Office of Price Administration and Civilian Supply, was deferred on the basis of indications that unjustified price increases were being curbed by active competition in the market place and by voluntary industry measures. OPACS is watching the rubber price situation closely and is prepared to take action if an inflationary situation shows signs of developing in rubber products.

On June 22, OPACS, in cooperation with the Office of Production Management, initiated a program to reduce civilian consumption of rubber in order to insure adequate supplies for military purposes. The reduction is a moderate one and no disturbing shortage of rubber products is in prospect if consumers and retailers continue normal purchasing and do not overstock.

Tires and tubes have customarily used about 75 percent of the rubber entering into industrial production in this country. The reduction in automobile pro-

duction, made necessary by defense requirements of materials, labor and plant facilities, will free considerable supplies of rubber for military requirements and for other essential civilian needs. The Civilian Supply Allocation Division of OPACS is currently working to assure necessary supplies of rubber for vital civilian purposes.

In addition to encouraging consumers to get longer life out of their cars, the Consumer Division of OPACS is urging them to take better care of their tires. Driving at moderate speeds, proper tire inflation poundage, proper wheel-alignment, and the avoidance of holes and rubble while driving will add considerably to tire service. More detailed information on care of automobiles and tires is contained in the June 30 issue of CONSUMER PRICES, available from the Consumer Division of OPACS.

Conservation of tires and tubes, coupled with purchases of new tires only as actually needed for immediate use, will be of great assistance in the maintenance of stable prices, OPACS officials say. Consumers are urged in particular not to throw away outworn tubes and tires. Much of the rubber in these articles can be made available for reclaiming and re-use.

Retailers can assist by maintaining stable prices and inventories and by helping inform consumers on better tire use and conservation.

Clothing

Discussions of an increase in the size of the Army have raised a question about further clothing purchases for the armed services. Defense purchasing officials report that present clothing procurement plans are adequate to take care of an increase of as many as 400,000 men, if Congress should provide for an expanded Army to that extent. Current purchasing schedules, combined with clothing supplies already bought, would be sufficient for such an increase.

OPACS clothing price executives report that the retail price bracket system is working particular hardship on low-income groups in their purchases of work clothing. While some manufacturers and retailers are absorbing part of the cost increase, many retailers are reported shifting work-clothing items into the next higher price bracket when a rise in cost appears. This is resulting in retail prices higher than warranted even by the cost advance. OPACS is investigating the extent and effect of this practice in work clothing and other apparel items.

PURCHASES . . .

\$755,687,421 War Department contracts cleared July 3 through July 9

Defense contracts and letters of intent totaling \$1,032,421,510 were awarded by the War Department and cleared by the Division of Purchases, OPM, during the period July 3 through July 9. Similar commitments in the previous week were \$1,172,281,870, bringing the total for two weeks to \$2,204,703,380. Total contract awards in the latest week were \$755,687,421 which compares with \$906,608,645 for the previous week. Letters of intent totaled \$276,734,088 compared with \$265,673,225 a week earlier.

Of the total, contracts and letters of intent for aircraft and aircraft parts amounted to \$628,297,569; construction \$177,923,708; equipment and supplies \$162,155,333; and ordnance \$64,044,900.

The Maritime Commission did not report any contracts awarded during the period.

The Office of Production Management clears contracts of \$500,000 or more only.

Contract awards during the latest period were:

EQUIPMENT AND SUPPLIES

Boyt Harness Co., Des Moines, Iowa; 135,000 haversacks; \$537,150.

Fargo Motor Corporation, Detroit, Mich.; misc. bodies—½-ton trucks; \$11,236,975.

The Autocar Company, Ardmore, Pa.; tractor-trucks; \$4,071,483.

Yellow Truck & Coach Mfg. Co., Pontiac, Mich.; 2½-ton trucks; \$851,717.16.

Plumb Tool Co., Los Angeles, Calif.; socket wrenches; \$607,896.75.

War Supplies Limited, Washington, D. C.; 2,120,000 yds. cotton tent duck; \$631,972.

Cone Export & Commission Co., Greensboro, N. C.; 1,750,000 yds. cotton cloth; \$541,450.

Autocar Company, Ardmore, Pa.; tractor-trucks; \$984,800.

White Motor Co., Cleveland, Ohio; prime movers trucks; \$1,957,800.

ORDNANCE

Bowen Products Corporation, Ecorse, Mich.; cartridge cases; \$1,075,000.

Ryerson & Haynes, Inc., Jackson, Mich.; cartridge cases; \$716,000.

Pullman Standard Car Mfg. Co., Hammond, Ind.; gun carriages; \$1,548,000.

General Motors Corporation, Delco Appliance Div., Rochester, N. Y.; gun directors; \$524,000.

Colt's Patent Fire Arms Mfg. Co., Hartford, Conn.; guns; \$4,529,954.83.

American Locomotive Co., Schenectady, N. Y.; tanks; \$26,725,000.

Borg-Warner Corporation, Mechanics Universal Joint Division, Rockford, Ill.; fuzes; \$1,586,000.

U. S. L. Battery Corporation, Metal Mfg. Division, Long Island City, N. Y.; practice projectiles; \$650,000.

Edward G. Budd Mfg. Co., Philadelphia, Pa.; shells; \$870,000.

Fort Pitt Bedding Co., Pittsburgh, Pa.; metallic belt links; \$720,000.

United Engineering & Foundry Co., Pittsburgh, Pa.; guns; \$1,220,199.40.

National Stamping Co., Detroit, Mich.; metallic belt links; \$2,665,900.

Stanley Works, New Britain, Conn.; metallic belt links; \$1,168,000.

Lite Manufacturing Co., New York, N. Y.; target assemblies; \$628,056.

Mesta Machine Co., West Homestead, Pa.; guns; \$1,863,140.

High Standard Mfg. Co., New Haven, Conn.; guns; \$4,724,841.12.

Colt's Patent Fire Arms Mfg. Co., Hartford, Conn.; guns; \$2,020,877.60.

Colt's Patent Fire Arms Mfg. Co., Hartford, Conn.; machine guns; \$909,931.65.

AIRCRAFT

Wright Aeronautical Corporation, Paterson, N. J.; aeronautical engines and parts; four contracts totaling \$161,656,089.81.

Lockheed Aircraft Corporation, Burbank, Calif.; airplanes and spare parts; two contracts totaling \$92,602,290.

Douglas Aircraft Co., Inc., Santa Monica, Calif.; airplanes and spare parts; two contracts totaling \$44,857,948.54.

Vega Airplane Co., Burbank, Calif.; airplanes and spare parts; \$26,051,760.

Fairchild Engine & Airplane Corporation, Fairchild Aircraft Division, Hagerstown, Md.; airplanes and spare parts; \$1,037,543.

General Motors Corporation, Allison Division, Indianapolis, Ind.; engines and parts; \$41,366,880.

Nash Kelvinator Corporation, Detroit, Mich.; propeller assemblies and spare parts; \$15,237,500.

Pump Engineering Service Corporation, Cleveland, Ohio; vacuum pump assemblies; \$3,253,450.

Curtiss-Wright Corporation, Airplane Division, Buffalo, N. Y.; airplanes and spare parts; \$52,567,107.84.

Curtiss-Wright Corporation, Curtiss Propeller Division, Caldwell, N. J.; propeller assemblies, controls and parts; seven contracts totaling \$63,667,000.29.

CONSTRUCTION

Ford Motor Co., Ypsilanti, Mich., establishment of new plant with necessary machinery and equipment for manufacture of aircraft and aircraft sub-assemblies; \$47,620,171. (Defense Plant Corporation agreement.)

Sperry Gyroscope Co., North Hempstead, Long Island, N. Y.; expansion of facilities including construction and installation of equipment and machinery for production of equipment for navigation, communication and fire control; \$20,281,000. (Defense Plant Corporation agreement.)

Hughes Tool Co., Houston, Tex.; rehabilitation of structure and acquisition of machinery and equipment to establish plant for the production of landing gear struts; \$3,725,001.

E. I. DuPont de Nemours & Co., Wilmington, Del.; additional facilities at Morgantown, West Va., Ordnance Works; \$15,848,000. (Total estimated cost of plant \$31,448,000, of which is \$20,700,000 is for equipment.)

Two contractors: Poirier & McCane Corporation and John W. Harris & Associates,

Makers, repairers of canning machines or equipment given A-2 priorities

In order to prevent loss of a portion of the 1941 fruit and vegetable crop, the Priorities Division of OPM issued July 10 an order providing an A-2 preference rating which may be applied to deliveries of materials needed by plants constructing or repairing canning machinery and equipment.

The A-2 rating may be used, however, only in accordance with specific instructions and regulations contained in the order (P-17).

Reasons for the new order are:

(1) Insufficient machinery and equipment is now available for preparing and processing the 1941 crop of fruits and vegetables and for filling, labeling, closing, and packaging the required containers.

(2) There is also a scarcity of many of the materials required for construction and repair of such equipment.

(3) The Office of Price Administration and Civilian Supply has issued a program stating that such materials

should be given an emergency preference rating.

Can cover sub-suppliers

The order provides that a producer of the canning equipment required may apply the A-2 rating to his deliveries by accepting the terms of the order in writing and serving a copy of it on his supplier. Provisions are also included whereby the rating may be used to expedite deliveries to suppliers and sub-suppliers of the producer.

It is stipulated that the rating may be applied only to materials which appear on the Priorities Critical List.

It is also provided that the order is a temporary one, taking effect on July 9 and expiring on August 31, 1941.

About 35 producers of machinery and equipment are on the initial list of those who will receive the order. All of them are urged not to use critical materials such as aluminum, or stainless steel containing nickel, if substitutes can be used.

Inc., both of New York City; construction of Seneca Ordnance Depot at Kendaia, N. Y.; architects and engineers, William S. Lozier, Rochester, N. Y.; \$6,658,454.

Two contractors: Artley Co. and Espy Paving and Construction Co., both of Savannah, Ga.; establishment of Advanced Twin Engine Flying School at Valdosta, Ga.; \$4,820,500.

L. E. Dixon Co., Los Angeles, Calif.; additional facilities at Camp San Luis Obispo, Calif.; architects and engineers, Leeds, Hill, Barnard, and Jewett, Los Angeles; \$2,617,883.

Two contractors: The Dunn Construction Co. of Birmingham and John S. Hodgson & Co., Montgomery, Ala.; additional facilities at Anniston Ordnance Depot, Talladega, Ala.; architects and engineers, J. B. Converse & Co., Mobile, and A. C. Polk of Birmingham, Ala.; \$2,109,640.

Doyle, Russell and Wise, Richmond, Va.; establishment of Quartermaster Corps School for 900 officers and men at Camp Robert E. Lee, Va.; architects and engineers, Wiley and Wilson of Lynchburg, Va.; \$2,557,348.

Stone & Webster Engineering Corporation; additional facilities for production of lead azide at Kankakee Ordnance Works, Joliet, Ill.; \$868,967. (Plant will be operated by E. I. duPont de Nemours of Wilmington; total estimated cost now \$32,079,967.)

Robert E. McKee, Los Angeles, Calif.; construction of wharf, Benicia Arsenal, Calif.; \$633,064.75.

Watt & Sinclair of Florida, Palm Beach, Fla.; construction of barracks, recreation buildings, chapels, officers' quarters, nurses' mess, at Camp Blanding, Fla.; \$1,023,774.

V. P. Loftis, Charlotte, N. C.; construction of 64 miscellaneous buildings and 20 regimental chapels at Fort Bragg, N. C.; \$720,000.

Two contractors: Fruin-Colnon Construction Co. and Fruco Construction Company, both of St. Louis; installation of equipment and machinery for St. Louis Ordnance Plant; \$25,200,000.

E. I. duPont de Nemours and Co., Wilmington, Del.; TNT, DNT, and Tetryl facilities, Alabama Ordnance Works, Sylacauga, Ala.; \$14,871,820 for construction, and \$10,890,000 for equipment.

Sanderson & Porter, New York City; additional shell loading facilities at Elwood Ordnance Plant, Joliet, Ill.; \$5,774,075.

Two contractors: Ford J. Twaits Co. & Morrison-Knudsen Co., Inc., Los Angeles, Calif.; construction of temporary housing at Fort Ord, Calif.; \$941,812.

Two contractors: Central Contracting Co. of Atlanta and Beckham & Brooks, Perry, Ga.; motor repair base at Atlanta Quartermaster Depot; architects and engineers, Robert & Co., Inc., Atlanta, Ga.; \$2,529,778.

McKenzie Construction Co., San Antonio, Tex.; general depot at San Antonio; \$1,857,559.

John McShain, Inc., Philadelphia; relocation of Washington Quartermaster Depot into Storage Warehouse, Arlington, Va.; \$1,640,000.

W. R. Grimshaw Co., Tulsa, Okla.; motor transport facilities at Fort Sill, Okla.; \$1,076,650.

Two contractors: George F. Teufel & Paul N. Carlson of Seattle, Wash.; motor repair shops at Fort Lewis, Wash.; \$1,033,221.

The American Construction Co. of Houston, Tex.; motor repair facilities at Normoyle Quartermaster Depot, San Antonio, Tex.; \$838,690.

Sound Construction Co. of Seattle, Wash.; replacement depot at Fort Lawton, Seattle, Wash.; \$827,100.

J. A. J. Construction Co., Brooklyn, N. Y.; construction of 79 one- and two-story frame buildings and demolition of four buildings at Fort Hamilton, N. Y.; \$909,200.

LETTERS OF INTENT

EQUIPMENT AND SUPPLIES

Sperry Gyroscope Co., Inc., Brooklyn, N. Y.; gyro horizon, gyro direction and turn indicators and automatic pilots; \$80,000,000.

Need for 1941 canned vegetables 8.3 percent, fruits 4.9 percent of 1940 pack

Army and Navy requirements for canned fruits and vegetables from the 1941 pack will equal about 8.3 percent of the total 1940 pack of canned vegetables and 4.9 percent of the total 1940 pack of canned fruits, according to estimates sent out July 11 to American canners by the Division of Purchases, OPM.

Invitations to bid on the Army's canned fruit and vegetable requirements will be sent out during July and August by the Army's central purchase offices in Chicago, San Francisco, and New York. In a letter sent to all canners by the Division of Purchases, canners were urged to quote on delivery at as many delivery points as possible.

"It is impossible for us to advise each canner individually how many cases of his pack he should reserve for the needs of the armed services," said the letter. "We do know, however, approximately how many cases of each item the Army and Navy plan to use from the 1941 pack. In consequence there is attached hereto

a table showing those amounts, the 1940 pack of each item and the percentage, separately, of the Army's and the Navy's needs. By intelligent use of this table each canner can ascertain how many cases of an item he ought to assume as his share of the Army and Navy requirements. Of course, those who can offer more should do so, as some canners may not be able to offer extra standards."

Steps to simplify industry's task

The letter reviewed steps that have been taken to simplify the industry's task of meeting the Services' requirements. Overtime provisions of the Walsh-Healy Act do not apply during the 1941 season on future contracts for most seasonal perishable items. Neither bidders' bond nor performance bond is required, inspection of carload lots is to take place before shipment, regular trade labels are not required, and separate invitations will be used for each major product.

"Many canners have told us that they realize that a voluntary and equal shar-

(Continued on page 18)

Bendix Aviation Corporation, Pioneer Instrument Division, Bendix, N. J.; compasses, driftmeters, fuel, manifold and oil pressure gages, tachometers, bank turn and rate of climb indicators and oxygen regulators; \$27,051,172.

Bendix Aviation Division, Bendix Aviation Corporation, Bendix, N. J.; booster coil, starter and switch assemblies; \$10,750,000.

Square D Co., Kollsman Instrument Division, Elmhurst, N. Y.; compasses, altimeters, airspeed indicators and tubes; \$4,300,000.

Walter Kidde & Co., Inc., New York, N. Y.; fire extinguishers; \$3,250,000.

Air Cruisers, Inc., Clifton, N. J.; life rafts and cylinders; \$2,700,000.

Goodyear Tire & Rubber Co., Inc., Akron, Ohio; life rafts; \$1,630,000.

General Motors Corporation, Delco Remy Division, Anderson, Ind.; generator assemblies; \$1,500,000.

General Electric Co., Schenectady, N. Y.; generator assemblies; \$1,375,000.

Weston Electrical Instrument Corporation, Newark, N. J.; ammeters, voltmeters, resistance bulbs, indicator assemblies and thermometers; \$854,090.34.

Independent Engineering Co., Inc., O'Fallon, Ill.; oxygen cylinders; \$850,000.

Firestone Steel Products, Akron, Ohio; oxygen cylinders; \$850,000.

Westinghouse Electric & Manufacturing Co., Dayton, Ohio; generator assemblies; \$740,000.

The Hickok Electrical Instrument Co., Cleveland, Ohio; thermometer indicator assemblies; \$558,566.

The Lewis Engineering Co., Naugatuck, Conn.; thermometer indicator assemblies; \$548,468.

Sparks-Withington Co., Jackson, Mich.; aircraft signal mooring kits and landing gear warning assemblies; \$537,000.

Electric Storage Battery Co., Philadelphia, Pa.; battery assemblies; \$502,150.

The Leeca-Neville Co., Cleveland, Ohio; generator assemblies; \$450,000.

Swift Parachute & Equipment Co., Trenton, N. J.; safety belts; \$390,000.

The Noltzer-Cabot Electric Co., Boston, Mass.; inverters; \$375,000.

Aerial Machine & Tool Corp., New York City; safety belts; \$260,000.

Standard Aircraft Products, Inc., Dayton, Ohio; cockpit lamp assemblies, reflectors; \$250,000.

Grimes Manufacturing Co., Urbana, Ohio; landing and position lamp assemblies; \$250,000.

Westinghouse Electric & Mfg. Co., Dayton, Ohio; ammeters and voltmeters; \$174,275.25.

United States Gauge Co., New York, N. Y.; suction and de-icing gages; \$158,000.

Elgin National Watch Co., Elgin, Ill.; clock assemblies; \$158,000.

Longines Wittnauer Watch Co., Inc., New York City; clock assemblies; \$132,000.

Irving Air Chute Co., Inc., Buffalo, N. Y.; safety belts; \$65,000.

The Adams & Westlake Co., Elkhart, Ind.; aircraft position lamp assemblies and tubes; \$45,347.

General Electric Co., Dayton, Ohio; landing lamp assemblies; \$30,000.

AIRCRAFT

Ford Motor Co., Dearborn, Mich.; production of aircraft engines; \$108,000,000.

Jacobs Aircraft Company, Pottstown, Pa.; manufacture of Pratt and Whitney type aircraft engines and spare parts; \$11,500,000.

General Motors Corporation, Allison Div., Indianapolis, Ind.; Allison aircraft engines with spare parts; \$8,500,000.

ORDNANCE

Bendix Aviation Corporation, South Bend, Ind.; aircraft machine gun turrets; \$10,000,000.

Canned vegetables

(Continued from page 17)

ing of the defense burden is true evidence of a real democracy and that they want guidance as to how they can assume their share of this burden," the letter said. "Some have far-sightedly remarked that in addition to the motive of democratic patriotism, they are keenly aware of the fact that increasingly in the future, industries participating in the defense program must necessarily be given priority for supplies and materials over nondefense industries, not as a matter of discipline but on account of the necessities of an 'all-out' effort, and that this probability is also worthy of consideration."

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Plant expansion commitments

Commitments for defense plant expansion at the end of May had risen to a total of 3,061 million dollars covering 1,847 projects, the Bureau of Research and Statistics, OPM, announced July 8. In addition, application had been made for Certificates of Necessity on plant facilities totaling 281 million dollars upon which action had not been taken, bringing the total to 3,342 million. Government obligations comprise 75 percent of the money allocated, and 22 percent of the projects in this tabulation. This does not include private projects for which Certificates of Necessity have not been requested.

Government commitments as of May 31 cover 397 projects estimated to cost 2,291 million dollars while private commitments at the same date cover 1,450 plants estimated to cost 770 million. Of the total Government commitments, 927 million represents the share of the Army and 730 million represents the Navy's commitments. The Defense Plant Corporation has committed itself for 505 million. Other Government commitments total 129 million. Government commitments at the end of April totaled 2 billion, 58 million dollars.

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Army develops rules for moving heavy equipment

Special transportation problems created by the expanding mechanization and motorization of the Army has resulted in the development by the War Department, in cooperation with the Association of American Railroads, of a master plan for loading and transporting such equipment on open top cars.

Dr. M. L. Wilson appointed to direct nutrition activities for defense

Paul V. McNutt, Coordinator of Health, Welfare and Related Defense Activities, announced at a press conference July 8 that Dr. M. L. Wilson had been appointed Director of Nutrition in the office of the Coordinator. Dr. Wilson took part in the conference, explaining what his program would be. Excerpts follow:

Mr. McNUTT. I am very happy to say that Dr. M. L. Wilson is to direct our efforts in nutrition.

Directs all U. S. nutrition activities

Q. Does this, Dr. Wilson, put you, then, in charge of all the Government nutrition activities that would include any work that the Public Health Service is doing, home economics, and all the other Government agencies?

Mr. McNUTT. That is right; that is what the job is.

Q. What are the ramifications of this nutrition program? What is the purpose of it?

Dr. WILSON. I would say that this would follow up the President's nutrition conference, you recollect, which

was held on the 26th and 27th of May.

There are really four angles to the problem: One is the low-income people, whose diets are unsatisfactory because they don't have sufficient income with which to get the foods that are necessary to give them a good diet. The food stamp plan, you see, and school lunches, are operating in that field.

Then there is another group of people who have sufficient income, that have good food, that have good diets, but their food habits are such that they don't eat the right foods or eat the right combinations of foods. That has to be attacked largely through education.

Another problem comes in the preparation and cooking and combination of foods. There are a lot of vitamins, and, many times, the nutrition elements of food are lost through improper cooking, or the diet doesn't get the right combination.

Then there is the fourth item which comes about through the over refinement of certain of the mass foods in the diet.

CANNED FRUITS AND VEGETABLES—ARMY AND NAVY REQUIREMENTS FROM 1941 PACK

Product	1940 pack basis 24/2½'s cases (fruits); 24/2's cases (vegetables)	Army requirements from 1941 pack		Navy requirements from 1941 pack	
		Basis 24/2½'s cases (fruits); 24/2's cases (vegetables)	Percent 1940 pack	Basis 24/2½'s cases (fruits); 24/2's cases (vegetables)	Percent 1940 pack
Apples.....	2,058,173	141,312	6.9	68,502	3.3
Apple sauce.....	1,982,485			53,010	2.7
Apricots.....	2,198,506	142,400	6.5	65,521	3.0
Cherries.....	3,307,260	53,360	1.6		
Grapefruit.....	2,843,248	73,433	2.6		
Peaches.....	11,329,009	354,200	3.1	118,487	1.0
Pears.....	5,521,912	141,312	2.6	74,514	1.3
Pineapple.....	10,968,956	498,460	4.5	68,967	.6
Prunes.....	1,235,644	141,312	11.4	51,599	4.2
Figs.....	563,808			53,317	9.5
Total (fruits).....	42,049,001	1,545,729	3.7	553,917	1.3
Beans, green and wax.....	9,803,603	618,450	6.3	223,638	2.3
Beans, lima.....	1,991,508	237,365	12.9		
Beets.....	3,719,353	206,150	5.5	66,715	2.6
Carrots.....	1,435,289	206,150	14.4	207,816	1.3
Corn.....	15,523,579	1,350,000	8.7	109,195	1.9
Kraut.....	5,736,520	446,600	7.8	270,949	1.1
Peas.....	23,195,640	1,436,400	5.7	45,922	1.5
Pumpkin.....	3,090,411	270,850	9.1	142,301	2.0
Spinach.....	4,962,143	414,960	8.4		
Sweet potatoes.....	306,968	270,850	91.2		
Tomatoes.....	29,593,984	1,786,400	6.0	467,204	1.6
Tomato juice.....	15,179,055	820,610	5.4		
Other.....	3,108,562	204,220	6.6	119,140	3.8
Total (vegetables).....	119,651,625	8,307,595	6.9	1,687,883	1.4

NOTE.—In the above table all figures are listed in cases of 24/2½'s (fruits) and 24/2's (vegetables) in order that they may be comparable. Army and Navy purchases will, however, be in the can sizes and of the grades listed below, the first named can size being preferred. Apples, Standard 2½'s or 10's; Apple Sauce, Fancy 10's; Apricots, Choice 10's or 2½'s; Cherries, Choice 10's or 2½'s; Grapefruit, Fancy 5's or 2's; Peaches, Choice 10's or 2½'s; Pears, Choice 10's or 2½'s; Pineapple, Fancy 2½'s; Prunes, Fancy 10's; Figs, Fancy 10's. Beans, Green and Wax, Extra Standard 10's or 2's; Beans, Lima, Extra Standard 10's or 2's; Beets, Fancy 10's or E½'s; Carrots, Fancy 10's or 2½'s; Corn, Extra Standard 2's; Kraut, Fancy 2½'s; Peas, Extra Standard 10's or 2's; Pumpkin, Fancy 2½'s; Army, Fancy 10's Navy; Spinach, Fancy 10's or 2½'s; Sweet Potatoes, Fancy 2½'s; Tomatoes: Extra Standard 10's, 2½'s or 2's; Tomato Juice, Fancy 10's or 24 ounce; Other vegetables, Fancy 10's.

AGRICULTURE . . .

(Information furnished by Office of Agricultural Defense Relations,
U. S. Department of Agriculture)

Boards set up in every State and county to put defense first in agriculture

Federal Department of Agriculture administrative defense boards have been established in every State and every county of the United States by Secretary of Agriculture Claude R. Wickard.

In creating the boards, Secretary Wickard declared that "national defense is the first order of business in the U. S. Department of Agriculture." He also pointed out that the President's recent action in establishing the Office of Agricultural Defense Relations as part of the Secretary's office "signifies, as do other developments, the vital importance of agriculture in the defense program."

The membership of the defense boards comprises a representative from each of the Department agencies whose services will be called on by the Secretary to administer actions necessary to carry out his departmental responsibilities in national defense. The chairman of each

county board is the chairman of the county AAA committee. Secretary Wickard pointed out that the major part of the Department's defense job involving field work centers on adjustment of farm production.

The agencies represented

The agencies of the Department whose representatives serve on the State defense boards include the Agricultural Adjustment Administration, the Bureau of Agricultural Economics, the Farm Security Administration, the Soil Conservation Service, the Farm Credit Administration, the Surplus Marketing Administration, the Agricultural Marketing Service, the Forest Service, the Rural Electrification Administration and the Federal-State Cooperative Extension Service.

The membership of the county board

will be made up of the principal employees of each of these agencies which maintains an office in any given county. The agencies maintaining local offices, although not uniformly in every county, include besides the AAA, the Farm Security Administration, the Soil Conservation Service, the Forest Service, the Rural Electrification Administration, the Federal-State Cooperative Extension Service, and the Farm Credit Administration.

County groups responsible to State boards

The USDA county defense boards are responsible through their chairmen to the USDA State defense boards. The USDA State defense boards are responsible through their chairmen to the Secretary of Agriculture.

Secretary Wickard's memorandum establishing the boards sets up the responsibilities of the State and county boards as follows:

Under direction of the Secretary, the U. S. Department of Agriculture State defense boards are authorized to confer with, advise, and arrange cooperation with other defense agencies having State or local offices, and to arrange for maximum cooperation of all Department field personnel in defense undertakings. Other specific functions will be assigned to the boards from time to time by the Secretary. While specific defense assignments also will be given to specific agencies of the Department, information about such assignments will be given to the boards and responsibility for seeing that Department field personnel generally is fully informed and enabled to cooperate is within the function of the boards. The U. S. Department of Agriculture defense boards are expected also to report to the Secretary field problems and developments felt to affect the progress of defense efforts.

Assignments passed along

The U. S. Department of Agriculture State defense boards shall assign to the U. S. Department of Agriculture county defense boards county responsibility for such assignments as are given the State boards by the Secretary.

The Secretary's memorandum also points out that the usual cooperative relations with State Extension Services are not altered, nor is the normal functioning of the Department agencies in effectuating their non-defense responsibilities.

OADR assistant director and chiefs of four over-all divisions announced

Administrative personnel of the recently established Office of Agricultural Defense Relations has been announced by the Department of Agriculture.

The OADR is a planning, advisory and liaison unit within the Office of the Secretary of Agriculture. It serves as a clearing house for consideration of agricultural needs as they relate to defense. It has been organized with four over-all divisions.

In addition to M. Clifford Townsend, director, other administrative personnel are:

David Meeker, former assistant to the Secretary of Agriculture, who will serve as assistant director.

Division to help adjust production

D. A. FitzGerald, assistant chief of the Division of State and Local Planning, Bureau of Agricultural Economics, who will be chief of the Production Division. This division will help in adjusting production to meet the military, domestic and lease-lend demands for agricultural products, and be responsible for contacts with OPACS.

L. L. Needler, former secretary of the Indiana Farm Bureau and former purchasing agent of the State of Indiana, who will be chief of the Farm Equipment and Supplies Division. This division will assist in securing priorities for agriculture.

Marketing arrangements

James E. Wells, Jr., now serving as special assistant to the Secretary of Agriculture, who will serve on detail as chief of the Transportation and Marketing Division. This division will help to secure transportation, warehousing, packaging and marketing facilities for agricultural products and supplies.

Raymond C. Smith, chief program analyst of the BAE, who will serve on detail as chief of the Labor and Rural Industries Division. The division will be responsible for developing and planning programs in cooperation with existing agencies to assist in handling farm labor problems. It will also review and analyze requests for the location of military establishments, and consult with the Labor Division of the OPM.

Conferees recommend recreation program to fit needs of three-shift defense work

Round-the-clock community leisure-time activities, paralleling and complementing the 24-hour schedule of defense industry, were emphasized as a prime need at a conference on recreation for defense workers held in Washington July 11. The meeting, called by Federal Security Administrator Paul V. McNutt, who is Coordinator of Health, Welfare and Related Defense Activities, brought together representatives of labor, industry, national voluntary organizations, and Federal agencies concerned in meeting the leisure-time needs of workers.

"Not so glamorous as entertaining the young men in our armed forces, but certainly of equal importance," Mr. McNutt called this problem in opening the discussion. "Without relaxation and change," he continued, "morale, productive activity, and health are threatened—and that is something national defense cannot afford."

Can't have one-shift social life

Citing actual experience, H. G. Pfeif, of the General Electric Company, and others supported this point of view. "A town with three-shift industries can't go on living a one-shift social life," in the opinion of Anna M. Rosenberg, regional coordinator of health and welfare activities for New York State.

Must consider needs in new building

As one major step toward meeting these problems, the conference recommended additional consideration of recreation needs in connection with new housing projects, particularly those under Federal auspices. These, it was felt, should include adequate indoor and outdoor provision for preschool and school children and their mothers, for youth, and for adult workers, both men and women.

In comparing recreational provisions for men in military service and for defense workers, Charles P. Taft, Assistant Coordinator, who acted as chairman of the conference, pointed out that the wage differential between enlisted men and the thousands of young unskilled and semiskilled men and girls in industry "is not actually so great as some people assume. The soldier, who gets maintenance and clothing as well as pay, may not have so much less than the lower paid industrial worker to spend on recreation. Both need community provision for free and low-cost amusements."

Summarizing the recommendations of the conference, Assistant Coordinator Taft enumerated the following seven-point resolution:

1. The morale needs of the defense program demand that adequate recreation for children and adults be provided.
2. In the marshaling of the total recreational resources of the community, it is essential that the municipality take the lead and discharge its responsibility from public funds.
3. Over-all planning for recreation by all groups concerned, including public

and private agencies, industries, unions, and leading citizens, is necessary in each community.

4. Commercial recreation interests should be encouraged to explore the possibilities of providing desirable recreation.

5. All housing projects should include recreational facilities and leadership for children and adults as an essential part of their development.

6. Every effort should be made to awaken public recognition of the necessity for adequate recreation.

7. Industries—employers and employees—should, in addition to whatever they might do for their own plants, have a responsibility for the promotion of adequate community recreation.

Tank car owners and lessees appoint coordinating group

Meeting in Chicago on July 7, at the call of Ralph Budd, Transportation Commissioner, OEM, the owners and lessees of tank cars used in railroad transportation agreed to appoint a tank car service committee. This committee will coordinate the utilization of existing tank car supply.

The committee, which will function through a paid executive secretary to be appointed, consists of 15 members. It includes B. C. Graves of the Union Tank Car Co., L. H. S. Roblee of the North American Car Corporation, Robert Rogers of Shippers Car Lines, and H. E. Coyle of General American Transportation Corporation on behalf of tank car leasing companies; J. S. Wood of Pan American Petroleum and Transport Co., J. D. Reardon of Union Oil Co. of California, C. R. Musgrave of Phillips Petroleum, and P. G. Anderson of Lion Oil and Refining Co. on behalf of petroleum company tank car owners; Lee Coles of Standard Oil Co. of Indiana and R. J. Walsh of the Texas Co. on behalf of petroleum shipper lessees. J. J. Mahoney of the Atchison, Topeka & Santa Fe Railway was selected to represent railroad owners of tank cars; H. M. Mabey of Mathieson Alkali Works to represent the chemical industry; T. C. Burwell of A. E. Staley Manufacturing Co. to represent the edible and non-edible oil users of tank cars, R. R. Luddecke of Fleischman Transportation Co. to represent molasses users of tank cars, and H. E. Seel of Commercial Solvents Corporation to represent alcohol users of tank cars.

Fayette B. Dow, consultant to Commissioner Budd on oil transportation matters, presided at the meeting.

Holiday and miners' vacation pull carloadings below peak

Revenue freight carloadings during the week ended July 5 totaled 740,493 cars, an increase of 16.2 percent over the 637,169 cars loaded during the corresponding week in 1940. Due principally to the Fourth of July holiday, this was a decrease of approximately 168,000 cars under the peak loadings recorded during the week ended June 28.

Livestock and coal decrease

Increases over the corresponding week in 1940, which also included the holiday, were recorded in all major commodities with the exception of livestock and coal, livestock decreasing 10.2 percent and coal, 9.3 percent. The unseasonal loss in coal movement was due to the miners' vacation, July 3 through July 7. This will result in one day's loss in coal loadings in the figures for the week ended July 12.

For the year to date, cumulative weekly carloadings (27 weeks) are in excess of 3,000,000 or 17.3 percent ahead of the corresponding period in 1940.

The details follow:

CARLOADINGS WEEK ENDED JULY 5

	1941	1940	Percent Increase
Grain and grain products.....	50,921	47,628	6.0
Livestock.....	7,970	8,876	10.2
Coal.....	93,968	103,555	9.3
Coke.....	12,638	10,439	21.1
Forest products.....	37,287	25,019	49.0
Ore.....	71,756	65,778	9.1
Merchandise l. c. l.....	138,616	127,230	8.9
Miscellaneous.....	327,337	248,638	31.7
Total.....	740,493	637,169	16.2
Cumulative (27 weeks)....	20,586,921	17,551,704	17.3

† Decrease.

TRANSPORTATION . . .

Short line railroads, in many cases vital links, handle heavy defense traffic

The independently owned and operated short line railroads of the country are satisfactorily handling their part of the defense transportation load, J. M. Hood, consultant on short line railroads, Transportation Division, OEM, announced after a survey of members of the American Short Line Railroad Association.

Short lines generally have participated in the general increase in railroad traffic caused by the defense program and growing civilian requirements. However, a number of the short line railroads are so situated that they provide the only service to and from important Army camps, arsenals, or other military establishments.

The survey made by Mr. Hood revealed the following instances of special participation in the defense transportation effort:

Rahway Valley Railroad

Participates as an overhead carrier in the movement of munitions from the U. S. Naval Arsenal at Picatinny, N. J., to Raritan Arsenal at Nixon, N. J. Has the shortest rail mileage entirely outside of any congested territory between these two points and in an emergency would prove to be the vital link.

Washington & Old Dominion Railroad

Has participated directly to the extent of handling horses for the cavalry post at Fort Myer, Va.; indirectly by handling materials used in construction of homes and apartments in Arlington and Fairfax Counties, Va. Residential construction in Arlington County has tended to alleviate the housing shortage in Washington brought about by the influx of thousands of defense workers.

Aberdeen & Rockfish Railroad Co.

Handles all traffic for Fort Bragg, N. C., which is being greatly expanded. Is relaying with heavier rail. Has constructed additional passing tracks and purchased two additional steam locomotives and one passenger motor car. Pursuing program of grade-crossing elimination and protection. Forty percent increase in personnel.

To facilitate handling the increase, the A. & R. has just let contracts for relo-

cating approximately 2½ miles of trackage, and reducing the grade. This project will involve 50,000 cubic yards of grading.

Savannah & Atlanta Railway Co.

Has enlarged its Savannah yards increasing its capacity by approximately 25 percent and placed an additional switch engine in service. Extra service was instituted for the handling of trainloads of material for use in the building of an army camp at Hinesville, near Savannah.

A grading and realignment project is being undertaken and when completed the section affected will be re-laid with heavier rail. A 6-day week has been established for shop forces to expedite repair of equipment.

San Diego & Arizona Eastern Railway Co.

Has branch line serving Naval Air Station at North Island, San Diego, Calif., and has handled major portion of materials used in the construction of additional facilities, totaling about \$5,000,000. Also active in the handling of material for construction of housing facilities for personnel.

A cavalry camp to cost over \$1,000,000 is being constructed on the SD&AE about 65 miles east of San Diego and additional station facilities and trackage will be provided as needed.

San Francisco & Napa Valley Railroad

Only railroad serving Mare Island Navy Yard, Calif. Week of April 21st handled 188 cars into the yard.

Bamberger Railroad Co.

Only railroad serving Ogden Ordnance Depot, Utah. Recently constructed a half-mile spur in order to render better service; additional trackage will be built as occasion requires.

Recently constructed over one-half mile of track to serve Ogden Air Depot.

Salt Lake, Garfield & Western Railway Co.

Serves U. S. Army Bombing Base 4 miles north of Salt Lake City. Operates two freight trains daily but can give almost immediate service when necessary.

Narragansett Pier Railroad

This short line serves the newly constructed Fort Nathanael Greene. In order to provide adequate service has added new Diesel locomotive, increased bridge loads, and doubled the scheduled passenger service. An additional Diesel locomotive is on order.

Patapsco & Back Rivers Railroad

In the past year has provided additional trackage and two 1,000 horsepower Diesel locomotives—two additional Diesels on order to be delivered in August. Has increased available cars for on-line service by 250; placed in service a new coal handling plant, a new track scale, and a new inter-change yard connecting with the B. & O. Railroad. The volume of traffic on this short line has increased 8,000 cars per month in 1941 compared to 1940.

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Public warehouse use by Army quartermasters

Harry D. Crooks, consultant on warehousing, Transportation Division, announced last week that Maj. Gen. E. B. Gregory, the Quartermaster General, has issued instructions to depot quartermasters permitting the use of public warehousing facilities when depot storage space is inadequate.

Negotiated contracts may be made with individual warehousemen or groups of warehousemen according to the needs of the responsible officer. Quotations will be on a per-package-per-month basis for storage and handling according to commercial practice.

How to obtain bids and arrange contracts

Instructions given to depot commanding officers outline the methods which may be used to secure bids and to arrange contracts. The following terms will be obligatory:

1. Issuance of nonnegotiable warehouse receipts.
2. Delivery of any portion on written order without surrender of warehouse receipt.
3. Goods shall be kept separate from those of private owners, even if customarily fungible, but need not be stored in separate rooms or separate floor levels.
4. Storage and other charges to be rendered monthly. Payment will be made monthly.
5. Warehouses will waive their customary lien for storage and preservation of the goods.

HOUSING . . .

100,000 homes started under FHA since Jan. 1; 85 percent contribute to defense

More than 100,000 new small homes have been started under the Federal Housing Administration's mortgage insurance plan since January 1. Construction is beginning every working day on approximately 1,000 homes. This has been a substantial contribution to the Coordinated Defense Housing program.

Recent surveys show that about 70 percent of all homes now being built under the FHA are in the 193 defense areas so far designated specifically by the President as having present or impending acute housing shortages. A substantial proportion of the remainder are in areas not legally so designated but nevertheless important to the defense program in an industrial or an agricultural capacity. Thus, as much as 85 or 90 percent of all FHA-insured houses are related to defense needs.

Repair loans at record volume

Title I loans for repair and alteration of homes and commercial properties also proceeded in record volume during the first 6 months of the year, exceeding \$300,000,000. It is estimated that approximately 50 percent of this volume involves properties located in or close to the 193 designated areas.

Recent changes in the National Housing Act, including the extension of Title I insurance for 2 years, are expected to stimulate loans for the conversion of old homes into apartment units as the means of supplying dwellings in defense areas. Loans for this purpose may now run as high as \$5,000 for as long as 5 years as against the limits of \$2,500 and 3 years for other Title I loans.

Meanwhile, applications for small home mortgage insurance under Section 203 continue substantially ahead of last year.

Since FHA mortgage insurance applications are customarily an accurate barometer of housing activity throughout the country, these figures indicate private residential building for the coming few months will maintain its rapid pace.

A report by the WPA on the Washington, D. C., real estate market states that "it appears that the construction of the 2,675 non-rental units will have added about 1,550 rental units to the District of

Columbia housing supply." Assuming this ratio to hold for the entire country, it can be estimated that for every 100 dwelling units constructed for sale, 57 units are released for the rental market. Expressed in terms of FHA's contribution to the rental field through its operations in the small homes field, because of the 103,000 new homes started in the 6 months ended June 30, more than 58,000 units would be released to the rental market.

FWA assigns 10,070 homes to agencies for construction

Federal Works Administrator John M. Carmody on July 2 assigned 10,070 defense homes in 21 States and the District of Columbia to seven agencies for construction following Presidential authorization and approval.

The projects by States, with the number of family dwelling units and the agencies to which construction was assigned, are as follows:

Alabama: Coosa River ordnance, 350,

(Continued on page 23)

Allocations made for 10,000 homes

Allocations were made for more than 10,000 homes during the week ended July 5, C. F. Palmer, Defense Housing Coordinator, has announced.

These homes for defense workers and their families will be in 34 localities of 21 States, and the District of Columbia. Among the localities are Baltimore; Cleveland; Jacksonville; Savannah; Wichita, Kans.; New Orleans; Seattle; and Richmond, Calif.

Of the new allocations, 5,425 homes will be constructed by the United States Housing Authority, 1,525 by the Public Buildings Administration, 1,450 by the Federal Works Agency, 1,250 by the Navy, and another 600 by the local

Housing Authorities and the Office of the Federal Works Administrator.

Also more than 1,400 homes were completed during the week. This raises the total number of completions, as of July 5, to 18,947 homes in 65 localities of 29 States and territories.

Among the areas where defense homes were completed are Erie, Pa., 56; Bremerton, Wash., 70; Hickman Field, Hawaii, 214; Muscle Shoals, Ala., 34; and Fort Bliss, Tex., 34.

Allocations made under the coordinated housing program now total 107,383 homes. The number of these contracted for totals 70,146. Of the allocations, 77,298 are for civilians, and 30,085 are for enlisted personnel.

STATUS OF PUBLIC DEFENSE HOUSING CONSTRUCTION, JULY 5, 1941

	Funds allocated		Contracts awarded		Completed	
	July 5	June 28	July 5	June 28	July 5	June 28
Number of States and Territories.....	49	49	46	46	29	28
Number of localities.....	170	162	142	142	65	59
Number of projects.....	410	364	248	248	52	60
Number of family dwelling units (regular).....	107,383	97,313	70,146	70,146	18,947	17,522
Civilian industrial workers in private defense industry.....	47,455	41,855	24,440	24,440	3,245	2,870
Civilian industrial workers in Government plants.....	10,201	17,201	13,026	13,026	3,918	3,774
Other civilians, employed by the Army and Navy.....	10,642	10,607	8,509	8,509	2,656	2,637
Married enlisted personnel.....	30,085	27,650	24,171	24,171	9,128	8,241
Number of family dwelling units (trailers).....	4,094	4,094	2,159	2,159	1,170	1,170
Civilian industrial workers in private defense industry.....	3,594	3,594	2,159	2,159	1,170	1,170
Civilian industrial workers in Government plants.....	500	500				
Number of units for single persons.....	8,891	8,891	6,525	6,525	3,076	3,076

PRIVATE CONSTRUCTION UNDER FHA MORTGAGE INSURANCE

Jan. 1 to July 5.....	103,342
Week ended July 5.....	4,722

(Continued from page 22)

local housing authority through USHA; plant locality, 50 (demountable), FWA.

Arizona: Litchfield Park, 100 (demountable), FWA.

California: Bakersfield, 85, local housing authority through USHA; Richmond, 450, local housing authority through USHA.

Connecticut: Bristol, 200, Connecticut Office, FWA.

District of Columbia, 650, United States Housing Authority; 350, Alley Dwelling Authority.

Florida: Pensacola, 200, local housing authority through USHA; Banana River, 50, Navy; Jacksonville, 400, Navy.

Georgia: Savannah, 150, local housing authority through USHA.

Indiana: Connersville, 300, Public Buildings Administration; Fort Wayne, 75, local housing authority through USHA; Madison, 100, Public Buildings Administration.

Indiana: Kingsbury-La Porte, 400 (demountable), Federal Works Agency.

Iowa: Burlington, 200, Public Buildings Administration.

Kansas: Wichita, 600 (demountable), Federal Works Agency.

Louisiana: New Orleans, 325, local housing authority through USHA.

Maryland: Baltimore, 1000, local housing authority through USHA.

Massachusetts: Springfield, 300, local housing authority through USHA.

Mississippi: Biloxi, 175, local housing authority through USHA.

Meridian, 100, Public Buildings Administration.

New Jersey: Northern locality, 250, Public Buildings Administration.

Cape May, 50, Navy.

Ohio: Cleveland, 500, local housing authority through USHA.

Port Clinton, 100 (demountable), Federal Works Agency.

Canton, 300, Public Buildings Administration.

North Carolina: Charlotte, 85, local housing authority through USHA.

Jacksonville, 700, Navy.

Tennessee: Alcoa, 250, Mutual Ownership Division, FWA.

West Virginia: Charleston, 400, local housing authority through USHA.

Virginia: Dahlgren, 50, Navy.

Texas: Victoria, 100, Public Buildings Administration.

Wichita Falls, 175, Public Buildings Administration.

Washington: Seattle, 500, local housing authority through USHA.

CIVILIAN DEFENSE . . .

Second class in combating bombs to include officers from 47 cities

Forty-seven cities along the Atlantic Seaboard have accepted the invitation of Mayor F. H. LaGuardia, Director of the Office of Civilian Defense, to send officers of their police and fire departments to the school at Edgewood Arsenal, Md., for training in methods of combating bombing attacks.

This is the second class of such officers to take advantage of the training course established in conjunction with the chemical warfare service of the U. S. Army. The first class of 50 selected fire officers from 40 seaboard cities has just completed the 2-week course. These officers will return to their respective communities and train their own departments in the methods of combating demolition and incendiary bombs and poison gas.

Eighteen courses in all will be conducted at the Edgewood Arsenal school. Additional schools will be established to afford like training for cities along the

Gulf, the Pacific Coast, and finally the Central States.

The following cities sent one police officer, except for New York City which sent three: Waterbury, Conn.; Elizabeth, N. J.; Lynn, Mass.; Boston, Mass.; Lewiston, Me.; Quincy, Mass.; Haverhill, Mass.; Holyoke, Mass.; Somerville, Mass.; Cambridge, Mass.; Brockton, Mass.; Fitchburg, Mass.; Burlington, Vt.; Malden, Mass.; Medford, Mass.; Newton, Mass.; Pittsfield, Mass.; Perth Amboy, N. J.; Atlantic City, N. J.; East Orange, N. J.; Irvington, N. J.; Union City, N. J.; Binghamton, N. Y.; Richmond, Va.; New Rochelle, N. Y.; Mount Vernon, N. Y.; Yonkers, N. Y.; Utica, N. Y.; Allentown, Pa.; Altoona, Pa.; Erie, Pa.; Harrisburg, Pa.; Hazleton, Pa.; Johnstown, Pa.; Lancaster, Pa.; McKeesport, Pa.; Reading, Pa.; Scranton, Pa.; Wilkes-Barre, Pa.; York, Pa.; Pawtucket, R. I.; Newport News, Va.; Easton, Pa.; Hagerstown, Md.; Orange, N. J.; Stamford, Conn.

Municipal civilian defense plans received by Office of Civilian Defense

Comprehensive plans for civilian defense, including arrangements for air raid protection, have been submitted to the Office of Civilian Defense by a number of municipalities and States. Analyzing steps to be taken in a defense emergency and defining clearly where responsibility lies in such an eventuality, the plans include provision for the following services: Fire-fighting, police, medical, public works, utilities, maintenance of vital services, and public relations.

Among the more comprehensive municipal plans received by the Office of Civilian Defense, which is urging all State and local units to submit such plans, are those from New York City, Long Beach, Los Angeles, Berkeley, Spokane, Pasadena, and Oklahoma City.

Air raid wardens planned

Proposed defense measures of the New York City Police Department provide for an air raid wardens service and an auxiliary force. Detailed plans for enroll-

ment of personnel and a proposed course of instruction for air raid wardens are included.

Emergency defense plans of the New York City Fire Department provide for formation, training, and instruction of an auxiliary fire corps and a corps of street wardens.

Existing disaster plans adapted

The Long Beach Emergency plan is a product of the Disaster Emergency Council, which was set up over 6 years ago. (See DEFENSE, May 27, 1941.)

The Los Angeles report includes a copy of the municipal ordinance establishing the Major Disaster Emergency Council under which plans for civilian protection have been made.

State and local governments are urged to submit civilian defense plans and reports of defense activities to the Office of Civilian Defense, Washington, D. C.

COMMUNICATIONS BOARD . . .

DCB perfects plans to prevent interruption of radio, cable service

Completion of certain plans to prevent interruption of radio and cable communications between the United States and foreign countries was announced July 7 by James Lawrence Fly, chairman of the Defense Communications Board.

During the last war, serious inconvenience both to military and to diplomatic services was occasioned by communication obstacles. International communication service may be impeded in various ways—for example, the cutting of cables, the jamming of radio circuits, injury to equipment, cutting off of power supply, and volume of message traffic in excess of capacity.

Many of the steps designed to prevent such interferences must remain confidential. However, some aspects of the plans can be discussed.

Substitute insulation tested

When a cable breaks or is cut, special cable repair ships must be sent to the approximate site of the break—which can be determined by skilled electrical methods. The DCB has made a careful survey of existing cable repair ships, and has checked to make sure that such ships will be made available for emergency use regardless of where the break occurs or what company owns the cable which has been interrupted. Specifications for converting additional ships for cable repair in case of need have also been readied.

The DCB has surveyed existing sup-

plies of cable, as well as cable-manufacturing facilities, and has found that one special insulating material universally used in submarine cables, gutta percha, is grown only in certain distant tropical areas. Accordingly, experiments are under way by interested companies to find a substitute. One substitute insulating material, domestically manufactured, has undergone preliminary tests successfully, and will be used in experimental cable repair work shortly.

In the event of an emergency, special arrangements are in readiness to interconnect equipment belonging to different cable and radiotelegraph companies in order to reestablish through routes without delay. Possible interconnections at terminals and intermediate points are now available.

Literally hundreds of such possible interconnections among cable companies, among radiotelegraph companies, and between radiotelegraph and cable companies have been worked out. Messages may be carried in an emergency from the office of one company to the office of another by messengers in five minutes or less; or they may be transferred by pneumatic tube, belt conveyor, Morse telegraph, teletypewriter, or special telephone circuits.

Alternative radiotelegraph routes are also in readiness. Various radiotelephone circuits can be quickly converted into radiotelegraph circuits.

At the request of the DCB, each communications company has appointed a

liaison officer at every major operating office to facilitate the interchange of traffic, interconnection of facilities, and other means of coordination in the event of an emergency. The DCB has prepared a directory of such liaison officers.

Supply bottlenecks uncovered

Surveys of reserve equipment have been made. DCB committees have uncovered five potential supply bottlenecks, none of them serious as yet. At the head of the list, it might be mentioned, is fabricated aluminum, which is vital for the shielding of important radio parts. While aluminum is therefore essential in communications work, the quantity needed is fortunately not large, and needless to say will be kept at a minimum.

The matter of priorities for radio and other communications materials has been of particular concern to Mr. Fly. In this connection he is closely cooperating with J. S. Knowlson, president of the Radio Manufacturers Association, as well as other industry spokesmen.

Priority arranged for urgent messages

The DCB has prepared a manual dealing with auxiliary power supplies, outlining the various possible means of insuring adequate power in case of emergency. In this connection, the DCB seeks to insure that so-called auxiliary power sources are in fact independent of the main source.

In spite of all these efforts specific routes may be swamped beyond capacity with urgent messages. To meet such a contingency, a message priorities plan has been readied, under which messages of military importance will be granted immediate precedence.

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DEFENSE



OFFICIAL WEEKLY BULLETIN OF THE OFFICE FOR EMERGENCY MANAGEMENT

OFFICE OF PRODUCTION MANAGEMENT, NATIONAL DEFENSE ADVISORY COMMISSION, DEFENSE HOUSING COORDINATOR, DEFENSE COMMUNICATIONS BOARD, COORDINATOR OF HEALTH AND WELFARE, SCIENTIFIC RESEARCH AND DEVELOPMENT, NATIONAL DEFENSE MEDIATION BOARD, DEFENSE AID REPORTS, COORDINATOR OF COMMERCIAL AND CULTURAL RELATIONS BETWEEN THE AMERICAN REPUBLICS, PRICE ADMINISTRATION AND CIVILIAN SUPPLY, CIVILIAN DEFENSE

WASHINGTON, D. C.

JULY 22, 1941

VOLUME 2, NUMBER 29

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Review of the Week in Defense

Pots, pans, broken toys, cocktail shakers, and a wide variety of odds and ends were hunted out in millions of American homes last week in preparation for the Nation-wide collection of scrap aluminum this week.

Five States beat the gun and started their drives early, Mayor F. H. LaGuardia, Director of the Office of Civilian Defense, reported. Others joined as the campaign was launched formally this Monday.

The goal was 20,000,000 pounds of aluminum for bombers, fighting planes, and other military uses.

Urgent problem of aluminum

Meanwhile, the Office of Production Management denounced public statements that aluminum production is adequate for defense needs.

Director General William S. Knudsen and Associate Director General Sidney Hillman, while explaining that there has been no "substantial curtailment of defense operations caused by a lack of aluminum," cited these facts:

Total military requirements for aluminum for the second half of 1941 are 400,000,000 pounds.

Production of virgin aluminum ingots will be 327,000,000 pounds during the same period. The output from secondary metal, which cannot be widely used for direct military purposes, may bring the total to 400,000,000.

"These figures clearly show that there will be no new aluminum available for civilian use," OPM said, "but there is and will be an urgent problem involved in supplying enough fabricated aluminum parts at the places where they are needed when they are needed for defense production alone."

Five companies recommended

OPM recommended five companies to operate seven new Government-owned aluminum plants previously proposed. It also advised the War Department to build a plant for the production of 400,000,000 pounds of alumina—a preliminary step in aluminum manufacture.

The seven aluminum plants will add 600,000,000 pounds to U. S. capacity, raising it to a total of 1,400,000,000 a year.

While OPM moved to increase production of vital raw materials, OPACS drew the line sharper on civilian allocations for the manufacture of automobiles, domestic refrigerators, and household laundry equipment.

The program, announced following a series of conferences with industry representatives, will cut consumption of scarce materials in half. OPACS estimated 4,250,000 tons of iron and steel and "substantial amounts" of nickel, copper, tin, zinc, aluminum, chromium, and lead will be saved for more essential civilian needs.

Autos to be cut 50 percent

Automobile production will be reduced 50 percent after October under the tentative plan. Domestic washing and ironing machines will be cut 30 percent initially, more stringently later. Refrigerator production will be limited to 150,000 units a month.

Upward adjustments in ceiling prices on cotton grey goods and combed cotton yarn were allowed by OPACS to cover increased operating costs following meetings with the Cotton Textile Advisory Panel. As a result cotton print cloth, held at 39 cents a pound, will return to the May level of 43 cents.

OPACS gave the highest civilian priority rating to raw materials used in the manufacture of hospital equipment, surgical implements and supplies, and eye-glass frames and parts in two civilian allocation orders.

Authorized defense expenditures approached \$50,000,000,000 June 30, last, the OPM Bureau of Research and Statistics disclosed. Appropriations, contract authorizations, RFC funds aggregated nearly \$46,000,000,000. British contracts added \$3,671,000,000.

More guns produced

As evidence that this money is being converted at an increasing rate into

planes, ships, tanks, and guns, the OPM Production Division called attention to rifle and submachine gun production. The present rate is 1,500 a day as against 289 last August, 931 last January.

E. R. Stettinius, Jr., Director of Priorities, set up eight commodity branches in accordance with the previously announced OPM reorganization. He also met with Price Administrator Leon Henderson and copper producers to explore means of increasing the industry's capacity.

Defense Housing Coordinator C. F. Palmer said that completion of nearly 2,000 defense homes the week of July 12 brought the total to 20,865 for the year.

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Priorities offices in Atlanta, Cincinnati and San Francisco

Priorities Director Stettinius announced July 20 the opening of three new offices of the Priorities Field Service.

Field offices of the Priorities Division have previously been opened in ten other cities.

John B. Reeves will be district manager for the field service in Atlanta and will have his office in the Federal Reserve Bank in that city.

Andrew L. Kerr will be district manager in San Francisco and will have his office in the Federal Reserve Bank there.

Burroughs for Cincinnati

Bruce W. Burroughs, of Cincinnati, will be district manager for that city. His office will be in the Union Trust Building.

★ ★ ★

Rifle and submachine gun production exceeds 1,500 a day

Rifles and submachine guns are now being produced at a rate of more than 1,500 per day, it was announced July 17 by the Production Division, OPM.

This compares with daily average production in August 1940, of 289 and in January 1941, of 931.

Included in these figures are the Garand semiautomatic rifle, the automatic Browning, and the Thompson submachine gun.

DEFENSE

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50 percent cut in autos, refrigerators provided by tentative OPACS program

Impelled by present and prospective acute shortages of industrial raw material being consumed in unprecedented amounts by civilian and defense industries, a tentative program for curtailment of production in three leading consumers durable goods industries was announced July 20 by Leon Henderson, administrator of the Office of Price Administration and Civilian Supply. Mr. Henderson said there was no occasion for increase of prices at retail.

The program covers the automotive, domestic mechanical refrigerator, and mechanical household laundry equipment industries. It is designed to reduce consumption of scarce materials in these industries during the next 12 months by 50 percent. These three industries are among those with which OPACS officials have held conferences on the raw material supply situation during the past few days. Further conferences with them to discuss details of the curtailment program are planned.

Defense contracts may help

The program is being undertaken with full realization of the possible dislocating effect of such a reduction on employment and operation of the economy generally, but it is necessitated by severe shortages of steel, nickel, copper, rubber, and other basic materials for these and other civilian durable goods industries. It is anticipated that the reduction will be partially offset by the increasing participation by these industries in defense work, the automobile industry having already undertaken contracts for \$2,000,000,000 worth of defense goods.

Although these three industries are among the largest consumers of industrial raw materials required in large amounts for defense purposes, the curtailment program will necessarily be extended to others in the consumers durable goods field in the near future. Conferences are currently being held with a number of these other industries including air-conditioning, heating, and cooking equipment, metal furniture, and miscellaneous household appliances.

To simplify preferences

It is expected that this procedure will reduce the need for an elaborate, detailed, and complex system of preferences for the wide range of civilian industries pro-

ducing goods whose output cannot be postponed without danger to the welfare of the public.

Complaints reaching OPACS from all over the country indicate that material shortages have been affecting different industries and companies disproportionately. It is becoming evident that unless prompt action of this type is taken, increasing needs of the defense program for raw materials will force complete shutdowns of many producers of civilian goods—wholly without regard to the relative need for their products. The proposed program provides for an orderly curtailment in those industries where reductions will do the least harm and is expected to relieve the heavy pressure on mills and factories for immediate and near immediate deliveries for all kinds of civilian and defense materials. It is also expected to allow for orderly distribution of consumers goods since it is known that distributors have substantial inventories of most of these items.

Reduction from high output

While the tentative curtailment program is severe, it was pointed out that the reductions will be made from extraordinary high rates of production during past months, will still leave a large volume of output in each of the three industries thus far involved, and will free productive facilities and manpower for defense work. At the same time it was pointed out that OPACS has taken steps to insure continued operation of the country's consumers durable goods already produced and in use through issuance of allocation programs designed to provide adequate supplies of repair parts.

During recent months automobile production has been running about 20 percent above the like period a year ago, refrigerator production showed a 21 percent increase, and washing machines and ironers were up 18 and 80 percent respectively.

To save 4,250,000 tons of iron, steel

These three industries are either the largest or close to the largest civilian consumers of the common metals where shortages now exist. The automobile industry alone requires around 1.6 tons of iron and steel per passenger car. The program is designed to save for other civilian uses which cannot be postponed approximately 4,250,000 tons of iron and steel as well as substantial amounts of

other scarce materials such as nickel, copper, tin, zinc, aluminum, chromium and lead.

The tentative program for automobiles and light trucks calls for an output of approximately 200,000 per month throughout the next 12 months. Because of model change-over interference with production during August, a lump sum output of 600,000 units during the next three months is anticipated to be followed by a leveling out to the 200,000 monthly figure in November. On this basis production in August, September, and October would be about 80 percent of output in corresponding months of last year. Thereafter the reductions as compared with later months of the last model year would approximate a 50 percent cut. No reduction is contemplated in trucks with rated capacities in excess of one ton because of the urgent need for such vehicles at present.

Adjustments may be necessary

Production of household mechanical refrigerators will be limited to a monthly maximum of approximately 150,000 units. Production of domestic mechanical washing and ironing machines will be reduced initially by 30 percent under the average for the past 12 months. This will be followed by more stringent cuts.

It is recognized that it may become necessary to make adjustments in these programs from time to time as the impact of defense requirements on materials and plant facilities becomes clearer.

In addition to curtailing production, OPACS intends to take steps looking to elimination of excessive raw materials inventories, and to conservation of scarce materials through use of substitutes and more economical design.

Meetings to be called

The meetings to be called shortly with these industries will consider the tentative formulas together with detailed plans now being worked out for allocation of materials to specific types of products and to specific manufacturers.

After the conclusion of these conferences definitive allocation programs will be promulgated by the Civilian Allocation Division of OPACS headed by Joseph L. Weiner, and will be administered and enforced as usual by the Priorities Division of the Office of Production Management.

• • •

CONSUMERS: Harriet Elliott, OPACS assistant administrator, tells how the curtailment program should affect civilian purchasers—page 11.

President orders creation of blacklist to restrict exports to agents of Axis

The President, by Proclamation of July 17, ordered the creation of a list of persons operating directly or indirectly for the benefit of Germany or Italy, and forbade the export of munitions, machinery and other materials to such persons except under special conditions. The text of the proclamation follows:

A PROCLAMATION

I, FRANKLIN D. ROOSEVELT, President of the United States of America, acting under and by virtue of the authority vested in me by Section 5 (b) of the Act of October 6, 1917 (40 Stat. 415) as amended and Section 6 of the Act of July 2, 1940 (54 Stat. 714) as amended and by virtue of all other authority vested in me, and by virtue of the existence of a period of unlimited national emergency and finding that this Proclamation is necessary in the interest of national defense, do hereby order and proclaim the following:

SECTION 1. The Secretary of State, acting in conjunction with the Secretary of the Treasury, the Attorney General, the Secretary of Commerce, the Administrator of Export Control, and the Coordinator of Commercial and Cultural Relations Between the American Republics, shall from time to time cause to be prepared an appropriate list of

(a) certain persons deemed to be, or to have been acting or purporting to act, directly or indirectly, for the benefit of, or under the direction of, or under the jurisdiction of, or on behalf of, or in collaboration with Germany or Italy or a national thereof; and

(b) certain persons to whom, or on whose behalf, or for whose account, the exportation directly or indirectly of any article or material exported from the United States, is deemed to be detrimental to the interest of national defense.

Subject to revision

In similar manner and in the interest of national defense, additions to and deletions from such list shall be made from time to time. Such list and any additions thereto or deletions therefrom shall be filed pursuant to the provisions of the Federal Register Act and such list shall be known as "The Proclaimed List of Certain Blocked Nationals."

Will be treated as foreign nationals

SECTION 2. Any person, so long as his name appears in such list, shall, for the purpose of Section 5 (b) of the Act of

October 6, 1917, as amended, and for the purpose of this Proclamation, be deemed to be a national of a foreign country, and shall be treated for all purposes under Executive Order No. 8389, as amended, as though he were a national of Germany or Italy. All the terms and provisions of Executive Order No. 8389, as amended, shall be applicable to any such person so long as his name appears in such list, and to any property in which any such person has or has had an interest, to the same extent that such terms and provisions are applicable to nationals of Germany or Italy, and to property in which nationals of Germany or Italy have or have had an interest.

Prohibits unauthorized exports

SECTION 3. The exportation from the United States directly or indirectly to, or on behalf of, or for the account of any person, so long as his name appears on such list, of any article or material the exportation of which is prohibited or curtailed by any proclamation heretofore or hereafter issued under the authority of Section 6 of the Act of July 2, 1940, as amended, or of any other military equipment or munitions, or component parts thereof, or machinery, tools, or material, or supplies necessary for the manufacture, servicing, or operation thereof, is hereby prohibited under Section 6 of the Act of July 2, 1940, as amended, except (1) when authorized in each case by a license as provided for in Proclamation No. 2413 of July 2, 1940, or in Proclamation No. 2465 of March 4, 1941, as the case may be, and (2) when the Administrator of Export Control under my direction has determined that such prohibition of exportation would work an unusual hardship on American interests.

SECTION 4. The term "person" as used herein means an individual, partnership, association, corporation or other organization.

The term "United States" as used herein means the United States and any place subject to the jurisdiction thereof, including the Philippine Islands, the Canal Zone, and the District of Columbia and any other territory, dependency or possession of the United States.

Executive Order No. 8389 applicable

SECTION 5. Nothing herein contained shall be deemed in any manner to limit or restrict the provisions of the said

Executive Order No. 8389, as amended, or the authority vested thereby in the Secretary of the Treasury and the Attorney General. So far as the said Executive Order No. 8389, as amended, is concerned, "The Proclaimed List of Certain Blocked Nationals", authorized by this Proclamation, is merely a list of certain persons with respect to whom and with respect to whose property interests the public is specifically put on notice that the provisions of such Executive Order are applicable; and the fact that any person is not named in such list shall in no wise be deemed to mean that such person is not a national of a foreign country designated in such order, within the meaning thereof, or to affect in any manner the application of such order to such person or to the property interests of such person.

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Passenger car subcommittee to discuss added defense work

Fitting additional defense work quickly into facilities now devoted to passenger car production will be discussed July 23 at a meeting of Government officials with a passenger car subcommittee of the automotive defense industry advisory committee.

The automotive industry has already taken responsibility for about \$2,000,000,000 in defense contracts. The wholesale value of all its products in 1940 was about \$3,185,000,000.

At a meeting July 16 of the passenger car and motor truck members of the automotive defense industry advisory committee, passenger car manufacturers were asked by OPM to nominate members of the passenger car subcommittee by July 21.

To discuss production, labor

Subjects to be discussed at the subcommittee's meeting July 23 include:

1. Fitting additional defense items into passenger car productive equipment so that prime and subcontracts can be placed quickly.

2. Planning the shift of skilled labor forces to plants now being built by the industry or to new defense production lines being set up in the industry's present plants.

Representatives of the automobile parts and components industry were invited to a meeting in Washington July 22 to nominate eight members of the automotive defense industry advisory committee.

PRODUCTION . . .

OPM chiefs cite facts, figures to show defense aluminum problem is critical

The following statement was issued July 16 by Director General William S. Knudsen and Associate Director General Sidney Hillman:

Certain statements have been made within recent days relative to the availability of aluminum for defense needs.

These statements have been to the effect that there is no shortage of aluminum for defense requirements.

In a period of rapidly expanding production, it is natural that temporary shortages occur from time to time. The Office of Production Management is glad to be able to state that it has received no reports of any substantial curtailment of defense operations caused by a lack of aluminum.

However, these recent statements tend to carry the implication that there is no problem involved in the supply of sufficient quantities of aluminum for defense work. This is a false implication.

"The simple facts"

The simple facts of the aluminum supply-demand picture are the following:

Direct military demands for aluminum from July 1 through December 31 are estimated at 344,000,000 pounds. This does not take into account indirect military requirements, which will probably take an additional 50,000,000 to 60,000,000 pounds, making a probable total requirement of approximately 400,000,000 pounds.

Production of virgin aluminum ingots, according to estimates furnished by the producers, will amount to 327,000,000 pounds during the period of July 1 through December 31, 1941. Ingots estimated to be produced from secondary metal may bring the total available for all purposes to 400,000,000 pounds, though the secondary metal cannot be used widely for direct military requirements.

These figures clearly show not only that there will be no new aluminum available for civilian use, but there is and will be an urgent problem involved in supplying enough fabricated aluminum parts at the places they are needed when they are needed for defense production alone.

The Office of Production Management is making every effort to rush the completion of new aluminum producing plants to meet the ever growing demands for this metal. It is, with the cooperation of the Federal Power Commission, working out the difficult problem of providing adequate power supplies to produce this aluminum.

There is at this moment a severe shortage of scrap aluminum for remelting.

To make every pound of aluminum available to defense, the Office of Production Management, in cooperation

with the Office of Civilian Defense, is asking citizens to contribute old aluminum articles between July 21 and July 27. Such aluminum is always useful in certain indirect military uses, such as the deoxidization of steel, for which purpose virgin aluminum is now being largely used. The military services, moreover, have recently changed certain specifications for military equipment with the result that this aluminum can go directly into military uses.

Any statement which, directly or by implication, gives the impression that the supply of aluminum for military requirements does not present a critical problem, is not in accord with the facts and can only result in harm to the defense program.

Five companies recommended to operate seven Federally owned aluminum plants

The Office of Production Management on July 15 recommended five companies to operate new Government-owned aluminum plants to produce an additional 600,000,000 pounds of aluminum annually.

Construction of a plant, likewise to be owned by the Government, and operated during the emergency by the Aluminum Co. of America for the production of 400,000,000 pounds of alumina annually also has been recommended to the War Department by OPM. This will be the first alumina plant designed for combined treatment of high and low grade bauxite ores.

To raise capacity to 1,400,000,000 pounds

Location of the proposed new aluminum plants by power areas was announced on June 27. Locations and the names of operating companies for the seven plants that will be constructed have been chosen by OPM and incorporated in recommendations for the War Department. Construction of these plants to produce an additional 600,000,000 pounds will raise the aluminum capacity of the United States to 1,400,000,000 pounds annually. Imports from Canada will raise the total supply available to 1,600,000,000 pounds.

Names of the companies recommended, the capacity of the plants proposed for their operation, and the locations recommended to date follow:

Aluminum Co. of America, 100,000,000

pounds, Arkansas; Aluminum Co. of America, 90,000,000 pounds, Bonneville-Grand Coulee area; Union Carbide & Carbon Co., 60,000,000 pounds, Spokane, Wash.; Reynolds Metals Co., 100,000,000 pounds, Listerhill, Ala.; Bohn Aluminum & Brass Co., 70,000,000 pounds, Los Angeles; Olin Corporation, 30,000,000 pounds, Tacoma, Wash.; Aluminum Co. of America, 150,000,000 pounds, Massena, N. Y.

An arrangement has been worked out with the Aluminum Co. of America under which that company will design and supervise the construction, on a no-profit basis, of the plants to be operated by the Union Carbide & Carbon Co. and the Olin Corporation.

Locations shifted

It has been found possible to make certain connections of power systems with the result that the two plants recommended June 27 for upper New York State have been combined and the total capacity of 150,000,000 planned for that area has been recommended for location at Massena.

Also the power authorities of the Grand Coulee-Bonneville area have, since June 27, made available for aluminum production an additional bloc of electric power. Therefore, in view of the power stringency of the southeastern area, OPM has recommended that the plant originally indicated for North Carolina be shifted to Tacoma, Wash.

PRIORITIES . . .

Revised Critical List shows 300 items to which Army, Navy may assign preference

A revised Priorities Critical List was issued July 14 by the Priorities Division, OPM.

The list contains over 300 items and classes of items on deliveries of which Army and Navy contracting officers may assign preference ratings.

Except for certain specified items which are subject to industry-wide control by the Priorities Division, most of the materials which appear on the list are subject to priority control only in the sense that Army and Navy orders for these items may automatically be assigned preference ratings.

A copy of the new list, revised to July 7, follows:

PRIORITIES CRITICAL LIST

PARTS AND ACCESSORIES.—The items that appear on this list shall be deemed to include all fabricated, mechanical, or electrical component parts and accessories necessary for the completion, maintenance, or mechanical operation thereof, excluding raw materials unless specifically included in the list.

SUPERVISION.—It should be carefully noted that all copies of preference rating certificates authenticated by the two services are reviewed by the Priorities Division and erroneous use of this list will result in cancellations of certificates by the Priorities Division.

ALLOCATION.—Material which has been subjected to industry-wide control and allocation by the Priorities Division will be governed by specific orders from the Priorities Division which may to some extent modify the effect of preference ratings previously issued. Items indicated by a (1) are those which to the date of this edition have been subjected to allocation by the Priorities Division.

NEW ITEMS.—Italicized items on this list are those which appear for the first time with this edition.

METALS.—It will be noted that all metals except a few precious ones are now covered by this list.

REVISION.—This list is subject to revision once each month. In order to receive consideration at the time of making any monthly revision, requests for additions, subtractions, or modifications must be received by the Priorities Committee of the Army and Navy Munitions Board or the Director of Priorities of the Office of Production Management on or before the fifteenth day of the preceding month in order to receive consideration.

Items for which preference ratings are authorized:

Acetone; aiming circles; aircraft—all types including lighter-than-air, complete; aircraft detection equipment; aircraft laboratory and test equipment; altimeters—all types; aluminum and aluminum alloys—pig or fabricated; ambulances—service specification; ambulance boats; ammonia, anhydrous; ammunition (small arm and large caliber)—all types; angledozers—tractor powered; anti-aircraft equipment; antimony; armour plate;

auger—earth (power); autoclaves (laboratory)—field and hospital.

Bags—barrack; sea; cantile; powder; sterilizing water; sleeping; balloon—observation or barrage; barges; barometers; batteries—radio; ship; fire control; battery chargers—portable; bearings—roller and ball; belt—ammunition link; cartridge; binaural trainers; binoculars—monoculars; spy glasses; field glasses; spotting glasses; blankets—wool; boards—deflection; fire adjustment; plotting (all types); range correction; spotting; chart; boats—aircraft rescue; picket; crane; assault; ambulance; Eagle; landing; motor torpedo; utility (QMC and AC); sub-chaser; target (armored); motor launch; radio control; lighters; D. B. (distribution box); boilers—power plant; heating; bombs; bombing training and target assembly; booms; borax; boric acid; box—ammunition; brass—pig and fabricated; bridges—foot (all types); steel (portable); pontoon (all types); bronze—pig or fabricated; bulldozers—tractor powered.

Cable, electric and telephone, all kinds including assemblies; cable, balloon barrage; cadmium; calibration sets, bomb sight, optical elements for; calipers, micrometer; cameras—aeronautical, gun, triangulation, motion picture and still; camera control—gun;

candles—chemical; canisters—service, dia-phram, optical; caps—field and winter, watch; carte—hand drawn, reel, chemical mortar, ammunition; weapon; case—inspectors, navigation, pilots, bombardiers; castings—brass (over 150 lbs.), aluminum; catapult—aircraft; charger—gun (hydraulic); chemicals—chemical warfare, explosives, medicinal; chest—service types; chlorine; chromium; cipher, devices and machines; cloth—rubberized, wool, dark blue melton or kersey, O. D.; flannel, cotton, twill, wind resistant, khaki; clothing—flying, chemical protective, uniforms, hospital, mechanics, laboratory; cobalt; coils—service specifications; combat vehicles; compressors (air)—power driven; computers—intermediate and major calibers, time and distance, line of position, aerial dead reckoning, time conversion, altitude correction; condensers, steam—radio, electrical; cone assembly 6" metrogon lens; containers—galvanized; portable refrigerated; control equipment for electric motors, automatic; cooking outfit—mess and field; copper—pig fabricated; cordage and twine—hemp, jute, oakum, abaca, sisal, henequen, flax, silk; cork; corrector—percentage, fire control; cotton—canvas duck, webbing; cotton liners; cranes; cresols—cresylic acid (meta-para; B. P. 200-210 C; dies less than 2 percent ortho); cutters—wire, and carriers (special service types); cylinders—chemical (portable), compressed gas or air.

Demustardizing equipment—chemical warfare; diamond point tools; dies—forging, diamond; Diesel engines, all types; distribu-

Eight commodity branches created, each to deal with all phases of certain materials

Priorities Director Stettinius announced July 17 the creation of eight commodity branches which, under his direction, will deal with problems relating to certain materials and classes of materials in which importation or allocation problems are paramount.

Creation of the new commodity branches is in accordance with the recent realignment of responsibility within OPM, involving the setting up of both commodity branches and industry advisory committees.

Each commodity branch will have a chief who will be in charge of all matters considered by the branch, whether these problems are related to priorities, production, or purchases.

Mr. Stettinius will have supervision over the activities carried on in the eight branches, and the deputy director in charge of these branches will be Philip D. Reed. Mr. Reed, since the early part of the year, has served as senior consultant for the Priorities Division.

The commodity branches headed by Mr. Stettinius form one industrial subdivision of the several formed within the OPM.

The following table shows the officers who will handle commodity branch activities in Mr. Stettinius' division, the materials which will come under each branch, and the officer who will serve as chief in each case:

Director—E. R. Stettinius, Jr., Deputy Director—Philip D. Reed; Assistant Deputy Director—C. H. Matthiessen, Jr., Technical Consultant—Dr. C. K. Leith; Consultant, Import Shipping Allocation—Dr. W. Y. Elliott; Administrative Assistant—Marshall J. Dodge, Jr.

SECTION 1—Dr. Harry S. Rogers, chief; rubber, synthetic rubber, and cork.

SECTION 2—David A. Uebelacker, chief; nickel.

SECTION 3—Harris K. Masters, chief; tungsten, molybdenum, vanadium, cobalt, antimony, and beryllium.

SECTION 4—John A. Church, chief; copper, zinc, brass, other copper alloys, and cadmium.

SECTION 5—Andrew Leith, chief; manganese, chrome, ferro-silicon, zircon, titanium and rutile, columbium, tantalum, and their alloys.

SECTION 6—Erwin Vogelsang, chief; tin, lead, and ilmenite (pigment).

SECTION 7—Howard Sykes, chief; mica, fluorspar, cryolite, graphite, magnesite, and gypsum.

SECTION 8—Richard J. Lund, chief; asbestos, mercury, industrial diamonds, quartz crystals, platinum metals, radium, uranium, kyanite, abrasives, diamond dies, and jewel bearings.

tion boxes; diving apparatus; drawers—woolen, half-wool, half cotton; drydocks—floating.

Energizers—aircraft electric; engines, internal combustion and steam, for ship propulsion; explosives, including chemical components.

Ferrous alloys, all types; fibre—abaca, sisal, benequen, hemp, flax, cotton linters, jute; finders—radio direction, height, depression position, vertical view, range; fire-control instruments and equipment; fire-prevention and fighting equipment, all types; flares; flashlights (service types); flash ranging set; floodlighting equipment; flying equipment; forgings—brass, aluminum; formaldehyde; frequency meter set, radio; fuel—aviation, Diesel, 50 cetene number and up; furnaces—heat-treating electric; fuzes and primers; fuze-setters.

Gages, inspection; gas—decontamination apparatus and equipment, masks; gases—chemical warfare; gastight doors and frames; generating units, service types; generators, electrical and motor dynameters, including N.E.M.A. standard types, meeting A.I.E.E. specifications and rules; glasses—field, spotting, binoculars, spy, monoculars; gloves—leather, wool; goggles (service types); grader, road—self-propelled; grenades; guns—all types and calibers (including carriages and mounts); limbers, and caissons.

Halowax (plasticized chlorinated naphthalene) for insulating wire; hammers, power driven; head and chest set—communication; height finders; helmets (service types); hexamethylene tetramine; hoist—ammunition; hoists, power or hand; howitzers—all types and calibers, with limbers, caissons, carriages and mounts.

Impregnite (I and S); insignia—uniform; instruments—battery commander, electrodiagnostic, observation optical (all types—complete)—stereoscopic training, surgical and dental, surveying, aximuth and aximuth mls, self-synchronous (engine), drafting; insulation, teatite; interphone equipment—(aircraft—vehicular); iridium; iron and steel products, including rolled, drawn, forgings, castings and pig iron including alloy steels; insulating, fire, brick.

Jigs and fixtures.

Kits—first aid, repair, (C. W.), toilet.

Laboratory equipment—hospital and field; lamp equipment—signal; lead; leggings—canvas; lenses requiring grinding except eye-glasses; lighters and barges; lighting equipment—electric (portable), service types, hangar, flying field; locators, sound—anti-aircraft (CAC); lockers—steel; locomotives—diesel, gasoline, electric; lubricant—diesel engine, special "RPM-DeLo" or equivalent.

Machine, blasting; machine guns—all types and calibers with mounts, sights and tripods; machine and metal working tools; machines—addressing and duplicating all types, including plates (except aluminum), type, platemaking equipment; machinery—forging, power-driven, for casting, cutting, grinding, holsting, melting, metal pressing, welding, refrigerating; magazines—small arm ammunition; magnesium and alloys—pig or fabricated; manganese or spiegeleisen; mapping equipment—service types; marker beacon receiving equipment; masks—gas, oxygen; mattress, all types; megger insulation testing sets; mercury; mess outfits—field, barrack, ship; meter sets—frequency, (sea-coast); meters—electric, drift; methanol; mines—antitank, drifting or anchored; mine equipment—submarine; mine planters and yawls; mirrors—magnifying; molybdenum; monel metal; mortars—all types and calibers with carriages, mounts; motion picture projection and sound equipment; motors electric, except fractional horsepower; motors for pontoons; motorcycles—solo or side car (service types).

Naphthalene; Neatsfoot oil; Neoprene; nets—antisubmarine, camouflage; Nickel alloy steep; Nickel—pig or fabricated; non-ferrous alloys, all types.

Cutting tools short, vital plants given first call by general preference order

Priorities Director Stettinius issued July 18 a general preference order regulating the distribution of cutting tools. The order is designed to facilitate the prompt flow of these tools into defense channels.

The order declares that there is an increasing shortage of cutting tools which are vitally needed in defense plants, and that supervision over the distribution of these tools is necessary.

Cutting tools defined

Cutting tools, as defined in the order, are "special drills of all types, oil tube and oil hole drills of all types and sizes, special reamers, counter-sinks, counterbores, special milling cutters of all sizes and types, hobs of all sizes and types, high speed taps, special taps, high speed chasers for self-opening die heads, high speed chasers for collapsing taps, and machine broaches."

(1) The order is addressed both to distributors and manufacturers of cutting tools, as defined.

(2) No manufacturer or distributor may accept or make delivery under an order for cutting tools which does not

bear a preference rating of A-10 or higher; provided that nondefense orders may be delivered if all defense orders on hand have been met.

(3) For a period of 6 weeks from July 17, manufacturers may continue working on orders which were in production on that date, regardless of requirements made under other preference rated orders received during the 6 weeks' period; provided that any order with an AA emergency rating must be accepted and complied with at any time.

(4) When a manufacturer finds that compliance with an order bearing a higher preference rating would interfere with work in actual production, compliance with the higher rating may be deferred (except for AA emergency orders) for a period of not more than 10 days.

Must prefer defense contracts

(5) No manufacturer or distributor may discriminate against defense orders and they must accept such defense contracts in preference to other contracts offered under substantially similar terms and conditions.

Oakum, marine; octant—bubble type; oil—castor and fuel (diesel 50 cetene and up); optical elements and instruments; oxygen manufacturing unit, portable.

Packing, flax; paper, chart; parachutes—service types; phenol; photographic laboratory equipment, aerial and ground; phthalic anhydride; plates, multilith, zinc; Polyvinyl chloride (and co-polymers containing at least 90 percent vinyl chloride) plasticized or un-plasticized; pontoon equipment; potassium perchlorate; potassium permanganate; projectors; signal (ground); pumping sets, all types; purification unit—water; pyrotechnics—service types.

Radio-apparatus (sending and receiving)—all types; radio direction finders; radiosondes and equipment; range—field, complete with equipment; rangefinders; ranging equipment—sound; reels, firing; remote control equipment, for guns and searchlights; reproduction equipment—map (all types); repurification plant, helium (portable); resistors, electrical for vessels; rifles—magazines; machine, automatic; semi-automatic; rubber, synthetic—rubberlike synthetic materials; Rubber—raw, processed, and fabricated.

Saddle—pack (cargo and riding); scabbard—small arms; scale—prediction; scrapers—tractor drawn; searchlights; searchlight control instruments; sextants, navigation; ships—all types, complete; ship plates and shapes (see iron and steel products); sights and related equipment; silk, parachute; small arms—all types and calibers; smoke—toxic and equipment for use; smoke screen apparatus; socks—woolen; cotton—wool; sodium hydrosulfite; sodium sulfoxalate; sound equipment—underwater; sound locators—antiaircraft; sphygmomanometers; splint, surgical; spotting sets; steel, semi-finished, finished and fabricated, including alloys; stereoscopes—all types; stereoscopic

testers; sterilizers, hospital and field; stoves, tent; submarine mine cable; steel; submarine safety and escape devices; switchboards, power, complete assembly; synthetic resin moulding powders.

Table (plotting); tags—identification; tanks—cartridge; combat, all types and models—powder; targets, tow; telegraph sets (service specifications); telephones—all special service types—radio, and equipment; tents, service types; testing outfits, boiler water; theodolites; thermometers, industrial; thermostatic controls for refrigeration and air-conditioning machinery; time interval apparatus; tin; tools—hand, precision; portable, power driven; special engine; torpedo; torpedoes; tractors—military; trallers—two-, four-, and six-wheel, assorted; bomb; trainer—binaural; stereoscopic; instrument flying and landing (ground); transformers, electric; tricresyl phosphate (less than 17° ortho); trucks—motor (all special service types); electrical industrial; tungsten, ferro tungsten and tungsten ore; tungsten carbide; turrets, gun.

Underwear—half-cotton, half-wool.

Vanadium and vanadium alloys; vehicles (service types); vest, life preserver.

Watches, service types; welding rod; whet-terite; winch, balloon; wire—service types (see cables), field (S. C.), for electrical instruments.

X-ray equipment, medical, industrial.

Zinc; zinc hydroaulfite.

¹ Subject to allocation.

² Steel products are covered by a special order requiring preferential treatment of defense orders and permitting users to file a formal complaint of any inability to obtain delivery or place orders. Nickel alloy steel and tungsten alloy steel are subject to industry-wide control.

PURCHASES . . .

We must give up much, but can get more essentials by cutting down frills—Nelson

We will have to do without a great deal if we are to produce more than Hitler, Donald M. Nelson, Director of Purchases in the OPM, said July 15. However, he added, there is no use doing without the essentials while the frills lie on the store shelves waiting for someone to buy them. He outlined to a New Orleans convention of the National Retail Hardware Association the Government's plans for reducing varieties of consumer goods. Excerpts follow:

The effective war production of Britain and the United States has got to become greater than the effective war production of Germany plus the captive countries. If it does become greater, Hitler will be beaten. If it does not, Hitler will win—and this is a table-stakes game, remember, in which the winner gets everything in sight.

We have got to produce such an unceasing flood of war goods that it will more than make up the difference between Britain's present war production and the war production of Germany, all her allies, and all her captives. No country on earth but our own could even attempt such a gigantic program. We can do it if we will. We have the skill, the resources, the wealth, and the manpower to do it. But—and here is the point—we can *just* do it. We shall have nothing to spare when we do it. We can do it *only* if we devote every resource to the job.

Defense comes first

A productive system depends on raw materials, machinery, and workers. We have an abundance of all three for all ordinary peace-time purposes; but we do not have enough of any of the three for our ordinary peace-time requirements plus the requirements of the defense program. Our defense requirements come first; no matter how big they are, they must be met. So it is perfectly obvious that ordinary commercial production is going to be cut.

Where are those cuts going to come first, and where are they apt to be deepest?

Most of the goods which the hardware retailer carries on his shelves are made of metal; and it is precisely in the general field of metals that the pinch is most severe.

Understand that where any metal is concerned, defense needs are met first and civilian demand has to be satisfied with what is left. The civilian demand for such aluminum as is left over after all defense needs have been met is in the ratio of 15 to 1—which means that for every pound of aluminum available to meet civilian needs there are at least 15 manufacturers each one of whom needs that pound. Civilian demand for the available supply of copper is in a ratio of 5 to 2; civilian demand for such nickel as will be available is in a ratio of 2 to 1. The situation in steel is not quite so bad; the ratio of civilian demand to available supply stands at about 10 to 9, although the situation is considerably worse in respect to some of the alloy steels. Practically all of the metals in general industrial use stand somewhere between aluminum and steel. Civilian demand for every one of them is going to suffer some curtailment.

Must sacrifice many luxuries

We are going to be obliged to get along without many luxuries and conveniences. Patriotic Americans will of course do that cheerfully, when and as they have to.

But there is no sense in making our sacrifices any weightier than the facts oblige us to make them; and it happens to be true that there is a great deal which we can do to keep these various shortages from inflicting any real hardship on us.

As retailers, you do not need to be told that every storekeeper carries a large stock of goods which move very slowly. In many cases, a merchant does as much as 80 percent of his business on 20 percent of his stock. From your own experience you know how much capital and storage space have to be tied up in odd sizes, special varieties, unusual stylings, and so on—varieties which simply are not in general, day-to-day demand, but which each merchant has to carry because all the others do.

Consider this situation as a sample. Iron and steel are needed badly. If the hardware industry takes a lot of iron and steel and uses it to make goods which stay on the shelves, it is tying up a vital defense material unnecessarily.

Workers, machines and factory space are used unnecessarily.

Simplification absolutely essential

Accordingly, it becomes evident that a broad program to simplify the lines and varieties of goods offered to the consuming public is an absolute essential to the proper operation of the defense program.

This is not a new thing, as you hardware retailers are fully aware. This work of simplification got its start during the first World War. After the war ended, many industries felt it advisable to continue simplification as a permanent policy. To help them, the Government in 1921 established the Division of Simplified Practice in the Bureau of Standards.

Adjustments in last war

It is interesting to review just a few of the things that were done under that program, since they indicate the possibilities that are ahead of us. Fifteen years ago, for instance, there were more than 4,600 kinds of shotgun shells in the market. Simplification introduced by the industry reduced that total to less than 350. One hundred and twenty-five sizes of wheel barrows were cut to 41. More than 8,000 sizes and varieties of abrasive paper and cloth were reduced to less than 2,000. Three hundred and eighty-six varieties of forged hammers were cut down to 180. Upwards of 5,000 varieties of spades and shovels were reduced to little more than 1,000.

Your government proposes to launch this simplification program in the immediate future. As plans stand now, I expect that the simplification program will be handled along these lines:

How it will be done

Each industry affected will be represented by an industry committee. Take the hardware industry as a sample: The committee will be composed of representatives of manufacturers, distributors and consumers. It will be selected by the Government from nominations made by industry: it will convene in Washington, where the whole program of simplification will be discussed with experts from the Bureau of Standards and defense officials. The industry representatives will be asked to suggest ways and means of simplification. Decisions will be made by the Government, of course, but only after full discussion with industry's duly selected representatives.

U. S. defense spending program reaches nearly 46 billion

The program for defense spending in the United States reached a total of \$49,-583,000,000 at the end of June 1941. Of the total, Congressional appropriations and contract authorizations and Reconstruction Finance Corporation funds for defense amounted to \$45,912,000,000. British contracts came to \$3,671,000,000.

At the same time United States and British contract awards mounted to \$27,-318,000,000.

New heavy bomber schedules brought the figure for airplanes up to \$11,469,-000,000, while airplane contract awards reached a total of \$6,122,000,000. The program for naval ships and parts came to \$6,430,000,000, while contracts had reached \$6,264,000,000. The ordnance program amounted to \$8,034,000,000 while awards for ordnance totaled \$4,738,000,000.

The following tabulation presents a breakdown by object of defense program and contracts as announced by the Bureau of Research and Statistics, OPM:

U. S. AND BRITISH CONTRACTS IN THE UNITED STATES

June 1, 1940, through June 30, 1941

(In millions of dollars)

Object	Pro-gram	Con-tracts
Airplanes.....	11,469	6,122
Naval ships and parts.....	6,430	6,264
Ordnance.....	8,034	4,738
Other military equipment and sup-plies.....	3,925	2,540
Merchant ships.....	1,905	1,407
Industrial facilities.....	5,530	2,767
Posts, depots, and fortifications.....	3,652	2,212
Housing.....	495	283
Other.....	1,874	985
Pay, subsistence, and travel.....	6,269	
Total.....	49,583	27,318

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Correction in regulations for canned goods purchases

In a story on canned goods purchases for the Army and Navy, published in the July 15 issue of DEFENSE, it was stated that "overtime provisions of the Walsh-Healy Act do not apply during the 1941 season on future contracts for most seasonal perishable items." The sentence should read: "Overtime provisions of the Walsh-Healy Act do not apply during the 1941 season on 'futures' contracts for most seasonal perishable items."

\$143,044,916 War Department contracts cleared July 10 through July 16

Defense contracts and letters of Intent totaling \$175,657,546 were awarded by the War Department and cleared by the Division of Purchases, OPM, during the period July 10 through July 16. Similar commitments in the previous week were \$1,032,421,510. Total contract awards in the latest week were \$143,044,916. Letters of intent totaled \$32,612,630.

The Office of Production Management clears contracts over \$500,000 only.

Contracts awarded during the period were:

CONSTRUCTION

Cleary Brothers Construction Co., West Palm Beach, Fla.; construction of Air Corps Basic Flying School, Sebring, Fla.; architects and engineers, Frank W. Ball & Associates of Fort Myers, Fla.; \$2,014,879. (Estimated eventual cost when funds are available, \$3,627,-640.)

Three contractors: Price Brothers, C & G Construction Co. of Dayton, and Hinton and Smalley of Cefina, Ohio; construction work at Wright Field, Dayton, Ohio; \$1,692,055.

Christy & Baskett, San Antonio, Tex.; construction of cadet reception center, Kelly Field, Tex.; \$707,180.

A. Farnell Blair, Decatur, Ga.; construction of warehouses at Augusta Arsenal, Ga.; \$589,937.

Brown Paving Co., Charlotte, N. C.; placing sand asphalt base and sand asphalt surface courses at Camp Davis, N. C.; \$544,100.

Silas Mason Co., New York, N. Y.; construction of shell loading plant at Minden, La.; \$19,356,908.

Cities Service Defense Corporation, New York, N. Y.; construction of Maumelle Ordnance Works, Marche, Ark.; \$9,991,850.

Two contractors: J. A. Jones, Charlotte, N. C., and Newton, Glenn & Knost of Hattiesburg, Miss.; construction of Aviation Mechanics School, Biloxi, Miss.; architects and engineers, George P. Rice, New Orleans, La.; \$9,679,746.

O'Driscoll & Grove, Inc., New York, N. Y.; construction of miscellaneous buildings at Scott Field, Ill.; \$1,623,800.

Forcum-James Co., Dyersburg, Tenn.; construction at Barksdale Field, La., landing field improvements; \$1,020,900.

Central Contracting Co., Atlanta, Ga.; construction of two Air Corps flight hangars at MacDill Field, Fla.; \$861,000.

Robert E. McKee, El Paso, Tex.; construction of housing and utilities for Aviation Mechanics' School, Wichita Falls, Tex.; \$4,886,889.

EQUIPMENT AND SUPPLIES

Fargo Motor Corporation, Detroit, Mich.; ½-ton 4 x 4 trucks; \$2,280,940.

American Bleached Goods, Co., Inc., New York, N. Y. (for manufacture at Glenlyon, Print Works, Phillipsdale, R. I.); cotton cloth; \$605,590.

Yellow Truck & Coach Mfg. Co., York, Pa.; van trucks; \$678,480.

International Shoe Co., St. Louis, Mo.; 150,000 service leather sole shoes; \$518,000.

Indian Motorcycle Co., Springfield, Mass.; motorcycles; \$2,059,805.

General Motors Corporation, Allison Division, Indianapolis, Ind.; engine parts; \$2,844,116.

Bendix Aviation Corporation, Pioneer Instrument Division, Bendix, N. J.; compasses and inverters; \$820,500.

Shell Oil Co., Inc., New York, N. Y.; aircraft engine fuel; \$1,582,512.

General Electric Co., Schenectady, N. Y.; regulators, generator voltage and switches, relay; \$520,000.

The Glenn L. Martin Co., Baltimore, Md.; airplane parts; \$658,752.

ORDNANCE

Stoner Mfg. Co., Aurora, Ill.; cartridge cases; \$1,233,750.

The Barrett Co., New York, N. Y.; ammonium nitrate; \$541,875.

Crucible Steel Co., Harrison, N. Y.; shot; \$3,150,000.

Triumph Explosives, Inc., Elkton, Md.; photo-flash bombs; \$1,375,810.

New Jersey Fulgent Co., Metuchen, N. J.; parachutes, \$616,000.

American Locomotive Co., Dunkirk, N. Y.; two contracts for gun carriages; \$2,138,000.

Western Cartridge Co., East Alton, Ill.; cartridges; \$7,488,500.

General Motors Corporation, Detroit, Mich.; guns; \$27,823,008.

Northwest Metal Products Co., Inc., Seattle, Wash.; cartridge clips; \$777,450.

International Register Co., Chicago, Ill.; shells; \$1,593,700.

Pullman-Standard Car Mfg. Co., Butler, Pa.; shells; \$4,650,000.

Western Cartridge Co., East Alton, Ill.; cartridges; \$2,526,700.

Smith and Wesson, Inc., Springfield, Mass.; revolvers, \$1,170,445.

Bendix Aviation Corporation, Bendix Marine Division, Brooklyn, N. Y.; transmitters and differentials; \$908,529.

Defiance Pressed Steel Co., Marion, Ohio; cartridge cases; \$1,291,408.

Remington Arms Co., Inc., Bridgeport, Conn.; cartridges; \$2,460,000.

Standard Tube Co., Detroit, Mich.; forgings; \$1,098,000.

Bethlehem Steel Co., Bethlehem, Pa.; projectiles; \$15,442,660.

Lamson Co., Inc., Syracuse, N. Y.; tripod mounts; \$1,243,152. (Of this amount, \$799,-668 was cleared by the Office of Production Management.)

LETTERS OF INTENT

ORDNANCE

Murray Mfg. Corporation, Brooklyn, N. Y.; shells; \$1,792,000.

John Dunlap Co., Carnegie, Pa.; cartridge cases; \$970,000.

Servel, Inc., Evansville, Ind.; cartridge cases; \$797,297.

The Gabriel Co., Cleveland, Ohio; shells; \$610,000.

General Motors Corporation, Guide Lamp Division, Anderson, Ind.; cartridge cases; \$601,000.

Auto Specialties Mfg. Co., St. Joseph, Mich.; shells; \$595,000.

Pittsburgh Steel Foundry, Glassport, Pa.; gun carriages, \$573,730.

General Steel Castings Corporation, Eddy-stone, Pa.; gun carriages; \$396,035.

Glenn L. Martin Co., Baltimore, Md.; upper machine gun turrets; \$11,000,000.

EQUIPMENT AND SUPPLIES

Western Electric Co., Kearny, N. J.; microphones with equipment; \$245,016.

Universal Microphone Co., Ltd., Inglewood, Calif.; microphone with equipment; \$163,464.

Kellogg Switchboard & Supply Co., Chicago, Ill.; microphones with equipment; \$204,286.

The General Electric Co., Schenectady, N. Y.; radio transmitting equipment; \$14,864,802.

MEDIATION BOARD . . .

Sealed Power, Wisconsin Coal Co. cases closed; two strikes postponed

The National Defense Mediation Board last week (July 14-20) obtained agreements settling the issues in two cases and postponing strikes in two others. In a fifth case, the Board announced that it would make recommendations.

Sealed Power Corporation

The United Auto Workers—AFL voted July 18 to go back to work at the Sealed Power Corporation plant in Muskegon, Mich., thus ending a 9-day strike over wages. This action by the union was taken after ratifying an agreement negotiated with the company which settled the issues in dispute.

The settlement was the result of 5 days of negotiations between representatives of the company and the union at the request of Frederick H. Harbison, a representative of the Board who was dispatched to Muskegon to investigate the situation. The union went on strike July 8, after the Board's recommendations for settling the case had been rejected at a membership meeting the preceding night.

When Mr. Harbison reached Muskegon, he found that both parties were dissatisfied with the Board's recommendations and were willing to negotiate a settlement.

Western Cartridge Co.

After 5 days of hearings, the Board on July 16 announced that it would make recommendations on the issues still in dispute between the Western Cartridge Co. of East Alton, Ill., and the Chemical Workers Union—AFL. It asked both parties to submit further information by mail on these issues. It was expected that these recommendations would be made this week.

Scullin Steel Co.

Following 2 days of hearings, the Board informed the Steel Workers Organizing Committee—CIO and the Scullin Steel Co. of St. Louis, Mo., that the Board found that the issues in this case were properly matters falling within the jurisdiction of the National Labor Relations Board. The SWOC representatives agreed to initiate promptly appropriate action before the NLRB.

After 2 days of hearings on the issues

involved in the dispute between the Progressive Mine Workers of America—AFL, the United Mine Workers of America—CIO, and the Wisconsin Steel Coal Co. of Harlan County, Ky., the Board and the parties agreed that the case was one within the jurisdiction of the National Labor Relations Board rather than the Mediation Board. The parties were dismissed July 17, and the case closed. This case was considered covered by the certification of the bituminous coal dispute and therefore no separate certification was made.

Tennessee Coal, Iron & Railroad Co.

At the request of the Board, the International Brotherhood of Electrical Workers—AFL and the Office and Technical Workers—CIO last week postponed threatened strikes at the Tennessee Coal, Iron & Railroad Co.'s steel plant in Birmingham, Ala. The Board made its request following certification of the case July 14. This case really involved two unrelated disputes but since they both came to a head at the same time with strike threats and since the same company was involved, it was considered that one certification would be sufficient.

Following 2 days of hearings, the Board announced on July 19 that an agreement had been reached settling the wage dispute between the company and the Office and Technical Workers Union. The terms of the settlement were not made public.

Hearings were held July 18-20 on the demand by the International Brotherhood of Electrical Workers for wage increases. No results were obtained and the hearings were to reconvene July 21.

Continental Rubber Co.

The panel and the parties in the dispute between the United Rubber Workers of America—CIO and the Continental Rubber Co. of Erie, Pa., reconvened July 16 to hear a report by George Trundle, president of the Trundle Engineering Co., who had been appointed special representative of the Board to investigate certain issues in the case. After an all-day session that day and a day and night session the following day, an agreement was reached at 5 a. m. July 18, settling

most of the issues in dispute and leaving the rest to direct negotiations between the parties when they returned to Erie.

New cases

In addition to the Tennessee Coal, Iron & Railroad Co. case, the Board received certification last week of two new cases. A threatened strike involving 520 employees of the Breeze Corporations, Inc., Newark, N. J., was postponed by the UAW—CIO at the request of the Board, and hearings were set for July 22. The issues in the dispute are the union shop, check-off, and a 10 percent wage increase. The company has subcontracts for radio equipment for the Army Signal Corps.

The Board on July 17 received certification of a strike of the UAW—CIO involving 525 employees of Air Associates, Inc., at Bendix, N. J., over reinstatement of union employees allegedly discharged for union activity. The company is an important supplier of aircraft parts. A hearing was set for July 22.

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Nicol named associate chief of Labor Supply Branch

Associate Director General Hillman, OPM, announced July 17 that Arthur S. Flemming, chief of the Labor Division's new Labor Supply Branch, had selected Eric Nicol as associate chief of the branch.

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Five named to clearance bureau of industry committees

Sidney J. Weinberg, chief of the bureau of clearance of defense industry advisory committees, OPM, announced July 17 that he has appointed to his staff in the bureau of clearance the following men, all of whom are on temporary leave from their respective companies:

R. H. Webb-Peploe, of Lever Brothers Co., Cambridge, Mass., as assistant chief; as administrative assistant consultants, Philip J. Sandmaier, of Republic Steel Corporation, Cleveland, Ohio; Richard Wells, of Freeport Sulphur Co., New York City; Tom Lilley, of Burlington Mills Corporation, Greensboro, N. C.; and Charles R. Crosby, of Dean Langmuir, Inc., New York City.

PRICES AND CIVILIAN SUPPLIES . . .

Miss Elliott tells what durable goods curtailment means to consumers

OPACS action reducing the output of consumers' durable goods, to save basic metals for defense, does not mean we shall have to do without these articles, or necessarily that the prices will rise, Harriet Elliott, OPACS assistant administrator for consumer activities, said in a radio address July 20. Excerpts follow:

The action announced by OPACS does not mean that you will have to do without automobiles, or refrigerators, or washing machines. I repeat that we are taking this step to help insure an orderly supply of *all* of the things you need. Even during this coming year, the durable commodities I have been talking about will be produced in quantities well in excess of the volume turned out in many recent years. With our program in effect output will still be greater than it was during the depression years.

Nor will these goods necessarily be more expensive. It is true that automobiles may go up in price. With reduced output and higher labor and material costs autos may cost more next year than this. But we are already talking with the automobile companies on

the matter of price and we are finding them willing to hold their advances to the essential minimum.

Refrigerator prices

As for refrigerators, washing machines, and the like, not only consumers but many distributors have stocked heavily in recent months. I ask and expect wholesalers and retailers to continue to dispose of their stocks at the prevailing prices. We will undertake to see that the manufacturers' prices are fair and reasonable.

If you really need, and had intended to buy a car, or a refrigerator or a new washing machine, then go ahead and get it by all means. If you had no such plans, then don't make any. Put your money into defense bonds. There may be days ahead when the cash will make you a good deal happier and a good deal more secure than a worn-out washing machine.

If you are a retailer or a wholesaler selling these commodities, you have a patriotic responsibility to sell your stocks at the prices you have been charging before.

Copper production increase is found possible

Some increase in domestic copper production is possible, according to information developed July 17 at an exploratory meeting with copper producers held jointly by Priorities Director Stettinius and OPACS Administrator Henderson.

Further discussions will be held with representatives of individual companies to determine the quickest and most feasible methods to bring out additional tonnage.

Present at the meeting were representatives from Anaconda Copper Mining Co., Kennecott Copper Corporation, Phelps Dodge Corporation, Calumet & Hecla Consolidated Copper Co., Copper Range Co., Consolidated Coppermines Co., Magma Copper Co., Miami Copper Co., Shattuck-Denn Mining Co., Howe Sound Co., Quincy Mining Co., and two leading custom smelters; American Smelting and Refining Co. and American Metal Co., Ltd.

Save waste paper to combat pulp shortage, Henderson urges

Hope that waste paper supplies in communities throughout the country will be increased by avoiding thoughtless destruction was expressed by OPACS Administrator Henderson.

In a letter to one of the sponsors of a drive for increased supplies in the St. Louis area, Mr. Henderson cited estimates that more than two-thirds of the huge quantities of newspapers, magazines, paper boxes and wrappings that find their way into American homes are destroyed.

Mr. Henderson pointed out that additional supplies of waste paper, cardboard, etc., are required for conversion into containers used to package and ship the thousands of articles being produced by defense industries.

"On behalf of the Government," Mr. Henderson said, "I urge that waste paper be saved by the householder for collection by waste paper dealers."

Medical and optical supplies given highest civilian rating

The highest civilian preference rating for supplies of essential raw materials was assured manufacturers of hospital apparatus and equipment, surgical implements and supplies, and eye-glass frames and parts in two allocation programs promulgated July 17 by the Civilian Supply Allocation Division, OPACS.

Sustained production of hospital equipment and surgical supplies is of the greatest importance to continued industrial efficiency and maintenance of civilian morale. It has become difficult for producers to obtain the needed raw materials, a situation which the program is designed to correct.

Both programs will be administered by OPM.

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OPACS to devise proration, shipping allocation for burlap

Allocation of shipping space for the importation of burlap and proration of supplies among domestic users are to be worked out by the Civilian Supply Allocation Division of the OPACS.

This was announced July 17 following a meeting of OPACS officials with thirty representatives of the burlap importing and bag-making industry, at which problems that have arisen in connection with burlap were discussed. It is expected that an advisory committee will be appointed to work with OPACS.

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Paul Linz appointed as commodity specialist

Appointment of Paul Linz, widely known in the nonferrous metals industry, as commodity specialist in the Price Division, OPACS, was announced July 14 by Dr. J. K. Galbraith, assistant administrator in charge.

Mr. Linz has resigned as a partner in Carl M. Loeb, Rhoades & Co., New York, to assume his new duties at OPACS, where for the present he will devote his attention principally to lead.

American rationing to be at the line of raw materials, Henderson says

Speaking before the New York Housewares Manufacturers Association, Inc., and wives of members, in Atlantic City, July 14, OPACS Administrator Henderson remarked that "Costs and prices of many consumer items have already risen at the wholesale level—it's only a question of time lag when they will hit the pocketbook." Further, Mr. Henderson stated: "Before long now there will be more purchasing power running around hunting something to buy than there are goods available."

Retail sales up 20-50 percent

Further excerpts from Mr. Henderson's talk follow:

Let's compare retail sales of the first months of this year with the same months of last year. They show roughly that American consumers bought 40 percent more automobiles, 35 percent more refrigerators, 20 percent more vacuum cleaners, 20 percent more radios, 50 percent more electric stoves, and 50 percent more furniture.

It becomes my disagreeable duty to tell you that the party is over. Not that you didn't sense it before, but it needs to be brought home to housewives and businessmen so that, in true American fashion, we can stir our stumps and get busy handling the situation.

Next week, at my offices in Washington, my staff will sit down with the makers of oil burners, automobiles, metal furniture, and household appliances, to explore the future. I wish I could tell you that we had an easy solution, that everything is going to be all right. I can't promise you any such hope.

No exactly similar paradox ever confronted American business. Customers, ready, eager, and able to buy will be crowding the market places and stores, but manufacturers will be unable to get enough raw materials to satisfy demands. All of us will get sick and tired of hearing that unfamiliar word "shortage."

"This means rationing"

Guns, tanks, airplanes, and ships are built of the same basic materials as automobiles, washing machines, electric

toasters, kitchen stoves, and paring knives. It is becoming evident now that the amount of copper, steel, aluminum, nickel, zinc, chromite, manganese, and a number of other materials required for armaments is going to be so great that we won't have enough left over for consumers durable goods. This means rationing, not by cards at the stores but at the raw material line, and rationing means that someone is going to get hurt.

Must continue needed public services

We have been approaching this problem of spreading or allocating scarce

materials to civilian industries from several viewpoints. In the first place, there are many essential public services such as maintenance of transportation, of public health, of police and fire protection which must be continued.

Next, it seems crystal clear that provision must be made for materials needed for repairs.

Also—that all transportation needs, such as essential freight cars, pipe lines, barges, should have clear claim to our precious residual supplies.

I cannot spell out the order of all civilian priorities. It is obvious, however, that not until the needs above have been met will there be anything left for conversion into consumer goods.

But now let me speak to all of you

OPACS suggests 16 ways to use transport efficiently, so as to keep down costs

Sixteen suggestions by which American industry can make the most efficient use of the Nation's transportation facilities were issued July 14 by G. Lloyd Wilson, Director of Transportation, OPACS.

"Transportation is vital to national defense and civilian welfare," Mr. Wilson said. "Efficient use of ships, railroad and express cars, trucks, airplanes and pipe lines is imperative. Intelligent cooperation on the part of shippers, carriers and Government will result in the movement of more freight per vehicle mile and will act to prevent increases in the cost of transportation."

Adequate notice urged

The sixteen suggestions follow:

1. Give carriers adequate advance notice when transportation facilities are needed and exactly where they are needed.
2. Order precisely the sizes and kinds of facilities required.
3. Place vehicles promptly when ordered.
4. Have goods properly packed, marked, protected, and ready for shipment exactly when transport facilities are ordered.
5. Ship goods in units adapted to utilize maximum carrying capacity of transportation vehicles or as much of it as possible.

Maximum safe capacity

6. Load vehicles to maximum loading

capacity consistent with safety.

7. Arrange for prompt loading and unloading of transportation vehicles—vessels, cars, and trucks—upon arrival and placement.

8. Arrange for prompt release of equipment as soon as it is unloaded.

9. Remove vehicles from delivery points promptly after release.

10. Clean debris and rubbish from vehicles after use.

11. Operate vehicle-loading and unloading facilities on an every-day-in-the-week basis, whenever possible.

Load vehicles in both directions

12. Select, whenever possible, railroad cars for loading in the direction of the home or owning railroad, and load vehicles of all sorts in both directions, in order to avoid empty vehicle movement.

13. Give preferred attention to freight cars held beyond free time so as to avoid demurrage charges and release unduly delayed equipment.

14. Have docks and piers ready to receive vessels promptly and commence discharge immediately upon arrival.

15. Make adequate advance arrangements for railroad cars, trucks, and other facilities needed to receive transshipped cargo so as to have vehicles ready when cargo is available.

16. Route shipments so as to avoid unnecessary circuitry of routes and superfluous interchanges between carriers.

in your capacities as housewives or as that most necessary A-1 priority household appliance, the bill-payer.

Rising costs and prices

Prices are going up. Costs and prices of many consumer items have already risen at the wholesale level—it's only a question of time lag when they will hit the pocket book.

A few months ago, wage increases were negotiated in most of the basic and large industries. Fortunately many businesses could absorb these increases out of increased profits—but not all.

Then Congress established a policy of 85 percent parity loans for agricultural products. The commodity markets have reflected these loan rates. This is the main explanation of the rise in domestic food costs.

Ocean shipping rates have gone up, because of Nazi ship sinkings and greater demands for war purposes. Fifty oil tankers have been diverted to the British to insure necessary oil in Europe. I expect more tankers will be needed for the British shuttle service—and our price and supply problems for gasoline and fuel oil will be more acute.

These three items, parity loans, wage raises, and ocean freight rates are real cost increase items. They come, of course, at a time when defense needs are shortening available supplies just at the time that wage earners, hungry for all kinds of goods are getting more pay.

More purchasing power than goods

Before long now there will be more purchasing power running around hunting something to buy than there are goods available. If that occurs to substantial degree, no power on earth can prevent inflation.

For that reason the Government must sop up some of this extra purchasing power. It must increase taxes, thus helping to pay for defense. It can stimulate savings. Consumer credit must be kept from expanding. At the same time, increased attention must be given to making it easier for industries which do not compete with defense, to expand their production.

In other words, OPACS expects to barge ahead in the fight against inflation.

Inflation is an ugly word, and so are its consequences. It takes deep bites into the standard of living of every wage earner, every person of fixed income. It dilutes every savings account and every insurance policy. When it is in its stride,

no manufacturer is safe in his commitments and no housewife is safe from rationing. No class gains permanently by inflation.

Experiences of World War

As you would guess, we have gone back over the experience of the World War period. Just last week, before I asked for rent control in the District of Columbia, I studied the effects of the last war on Federal employees who lived in Washington.

I had a personal interest, because I was in Washington part of the time as an Army officer. I found that Federal employees in the District lost 25 percent of their standard of living between 1914 and 1920. Imagine the holler that would go up if the wages of Government employees were reduced 25 percent. Yet the invisible hand of inflation did exactly that—and will do it again unless we are alert.

The post-war effects of inflation were worse. The record clearly shows that without Government intervention the cost of living began rising in 1915 and kept on until Baruch and his associates began control of some prices in the fall of 1917.

My order on textile prices is aimed to prevent the cost of \$1 cotton sheets going up to \$2.50, to keep overalls from costing three times as much as usual; to prevent cotton shirts from costing three times as much as the normal amount.

I said earlier that the lives of all of us will be changed by the defense effort. If we assume that all the people working at producing goods and services in this country are working 8 hours a day—then our defense is taking one hour of their time. But in Germany, every employed person is working between 4 and 5 hours out of every eight on defense, and out of every 8 on defense, and England is about the same.

If we are in earnest about this matter—and I believe deep down we all are—then the American way would be to out-produce Hitler. We can do this if we spend 3 hours out of every 8 for defense. My guess is that by next spring we will be equalling Hitler's production.

I've been trying to prepare you for the changes in the direction of our production—to tell you that as manufacturers you will need to be thinking about substitutes, simplification, conservation, and above all, gearing into defense production by direct contracts and subcontracts. And to all of you as consumers I've been trying to say—keep your eye on prices.

Makers of laundry, refrigeration equipment confer with OPACS

Second and third of a series of conferences between manufacturers of consumers' durable goods and the Civilian Supply Allocation Division, OPACS, were held July 14 with makers of commercial refrigeration equipment and domestic laundry equipment.

Three main points were emphasized by Joseph L. Weiner, chief of OPACS' allocation division, who conducted both meetings:

1. That manufacturers of consumers' durable goods requiring raw materials, principally metals, in great demand for the defense program, face increasing shortages and must be prepared to curtail their output for nondefense purposes.

2. That every effort should be made by such manufacturers to obtain defense contracts or subcontracts to avoid personnel lay-offs with resultant hardship to families of employees, local merchants, and others dependent upon the affected factories' pay rolls.

3. That substitute materials should be adopted wherever possible. In this connection manufacturers were cautioned not to substitute a metal or other substance that already was in large, but not yet critical, demand for defense.

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Federal employees offered plan for Defense bond investment

The Treasury Department announced July 12 plans which will enable more than 1,251,000 Federal employees throughout the United States to participate in the national defense savings campaign by periodic investment of part of their earnings in Defense Savings Bonds and Stamps.

Both in Washington and in the field, heads of bureaus, offices and divisions are being named to general departmental committees to bring the campaign to the attention of the Federal employees and to encourage the purchase of Defense Savings securities.

This program was started at the Treasury only a few weeks ago. Already, more than 17,000 of the 19,982 Treasury employees in Washington, or 85 percent, have pledged to buy \$95,944 in Bonds and Stamps each month. Of the 9,176 Treasury employees in field service, 6,133, or 67 percent, have pledged to make monthly purchases totaling \$30,265.

Stabilization program, boosting ceiling, announced after cotton panel meeting

A comprehensive program for price stabilization in the cotton textile and rayon industry, involving upward adjustment in present ceiling prices on cotton grey goods, was announced July 18 by OPACS Administrator Henderson.

The present ceiling prices on cotton print cloth will be adjusted upward from 39 cents a pound to 43 cents a pound—or to the level prevailing during the last week in May.

Other grey goods constructions now under ceilings will also be brought to the level prevailing at that time. The prices during this period will then be used as a basis for extending the ceiling to the branches of the cotton and rayon textile industry not now covered by ceilings. These prices allow fully for recent increases in cotton costs, costs of third shift operations, training of learners and costs incident to power shut-downs. They should insure capacity operations in the industry.

Action followed panel meeting

The decision to adopt the ruling prices during the last week in May as the basis for revising the existing schedule was reached after meetings last week with a group from the new advisory panel of the industry. Mr. Henderson said the panel would be called to Washington again in approximately 2 weeks to consider the ceilings for the types of goods which remain to be included under the comprehensive program.

Leading factors in the rayon grey goods industry meeting with OPACS officials last week agreed not to charge more than present prices for their products pending formation of an advisory panel for that industry. It was made clear that present prices for a number of types of rayon grey goods are considered too high and that a ceiling will be established below present levels and consistent with the prices of cotton grey goods.

Yarn ceiling being revised

Mr. Henderson also stated that ceiling prices for single ply combed cotton yarn were in process of revision upward as a result of the increase in raw cotton costs, beyond those allowed for when the schedule was issued. The increase in combed cotton yarn prices was expected to be about 2 cents a pound.

The adjustments made in the cotton grey goods ceiling were approved by the committee, the members of which prom-

ised their cooperation to OPACS in carrying out the revised schedule.

In announcing the formation of the cotton textile advisory panel earlier last week, Mr. Henderson stated there is no truth to reports circulated by one or two industry representatives to the effect that OPACS acted without prior consultation with industry leaders in preparing the schedule. A series of conferences was held with between 20 and 30 leaders in the industry in preparing the schedule. The present panel in major part involves only the giving of a formal status to this group.

Mr. Henderson added that the policy of OPACS in not dealing with trade association groups on price matters was in no-wise altered. Serious antitrust questions are involved in using these groups on price questions.

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OPACS and producers discuss anthracite price rise

Upward trend of anthracite prices was discussed at an exploratory meeting July 18 between the OPACS and representatives of principal Pennsylvania hard coal producers.

Extensive data were submitted by industry representatives for study and analysis by OPACS' staff in the light of that agency's specific interest in preventing unreasonable price increases during the present emergency.

Consumers of anthracite, which is used mainly for residential heating, did not enjoy the usual seasonal price concessions this summer. Instead, an advance of 10 cents a ton was put into effect June 15, another of 10 cents a ton on July 15, and indications have been given that two additional increases of 15 cents a ton each are planned for August 15 and September 15.

The meeting was attended by representatives of Glen Alden Coal Co., Scranton; Hudson Coal Co., New York, N. Y.; Jeddo-Highland Coal Co., Jeddo; Lehigh Navigation Coal Co., Philadelphia; Pennsylvania Coal Co., Scranton; Lehigh Valley Coal Co., Wilkes-Barre; Philadelphia & Reading Coal & Iron Co., Reading; Susquehanna Colliery Co., Philadelphia; and also by S. D. Ringsdorf, president of the Anthracite Operators' Association, Wilkes-Barre.

Gulf Coast oil refiners asked to maintain 6-cent gasoline base

All petroleum refiners in the Gulf Coast area were requested July 17 by Administrator Henderson, OPACS, to maintain a base price of 6 cents for Gulf Coast gasoline.

It was pointed out that the quoted low of the market for this gasoline has gone from 3½ cents per gallon on the first of the year to 6 cents per gallon on June 19, 1941, when the oil industry was requested to maintain consumer prices at present levels, except after prior consultation with OPACS. Several cargoes have recently been reported moving at prices ranging from 6¼ to 6½ cents.

Action to control speculation

OPACS officials indicated that there is now an extraordinary demand for gasoline on the Gulf and that the request to maintain the prevailing market was deemed necessary in order to control speculative buying. The action follows several conferences with large and small refiners at which substantial agreement was reached as to the desirability of the action taken.

OPACS officials indicated that prompt consideration will be given to any requests by small refiners for permission to effect transactions at higher prices in order to avoid unusual hardships consequent upon necessary industry readjustments caused by shortage of tankers to carry petroleum products from the Gulf to the East Coast.

It was also indicated that OPACS intends to make a detailed study of the costs of refinery operation in the Gulf area. Information for the study will be assembled in cooperation with the Office of the Petroleum Coordinator for National Defense, which was consulted in connection with the July 17 action.

Industry cooperating with OPACS

Mr. Henderson also announced that his request to the oil industry for advance notice of price advances had met with gratifying response. Several large marketers on the Eastern Seaboard, including Standard Oil of New Jersey and the Socony Vacuum Oil Co., have withheld proposed advances of the service station price of gasoline after consultation with OPACS. These advances will be reconsidered when it is possible to evaluate the extent to which increases in the cost of transportation from the producing areas to the East Coast will be relieved by plans now being worked out by the Office of the Petroleum Coordinator for National Defense.

News for Retailers

Woolen Textiles

Contracts awarded last week for woolen cloth for Army uniforms have been scheduled by the Quartermaster General to dovetail with current production plans of the industry. Delivery dates on the 17,000,000 yards of cloth ordered have been so planned that manufacturers of woolens will be able to maintain production for civilian orders and supply Army requirements during the forthcoming winter and spring.

The current wool order is designed primarily for replacement since stocks of clothing on hand or shortly to be delivered are adequate for the present armed forces. The new contracts cover overcoatings, serges, wool linings, elastique, and shirtings. A large proportion of the fabrics is to be manufactured out of domestic wools.

Contracts were awarded on July 9 for 1,520,000 Army blankets. About three-fourths of these are to be manufactured entirely of domestic wools; the remainder are to be half of domestic and half of foreign wools. Defense purchasing officials expressed satisfaction because the bids on the wool fabrics and blankets were at prices close to those prevailing on the last Army orders.

Government wool requirements during the current fiscal year are estimated at approximately 260 million pounds, grease basis, out of an expected total domestic consumption of more than 900 million pounds. With loom activity in woolen mills at an all-time high and with Army orders integrated with civilian production, wool textiles are expected to be adequate for existing demand.

OPACS textile price executives report that alarming increases are appearing in clothing prices at the retail level which have not been preceded by proportionate advances in manufacturers' selling prices. These increases are under investigation.

Rugs and Carpets

Manufacturers of wool carpets and rugs have been asked by OPACS not to advance prices on lines to be marketed this fall. Carpet prices have been moving steadily upward since late 1939 and Administrator Henderson has called for voluntary cooperation from the industry to halt further increases, in the effort to prevent an inflationary movement in household goods.

The chief base for rugs and carpets has been foreign wool, imports of which have practically ceased because of the war. While it is true that the cost of these foreign carpet wools has risen substantially, OPACS price executives point out that rug and carpet manufacturers had large reserve inventories of foreign wools, purchased at lower prices before additional imports were restricted.

A number of manufacturers have indicated that rayon staple fiber makes an excellent substitute for foreign wools in the production of rugs and carpets. Some are of the opinion that a better rug results and at lower cost. OPACS officials believe these two factors—reserves of foreign wools and possibility of rayon substitution—should operate to make a further rise in rug and carpet prices unnecessary.

Lack of cooperation from carpet manufacturers might have an effect on other household goods lines, OPACS officials say.

Conservation

Paints, shaving creams, salves, and many other preparations commonly sold in the past in tin tube containers will soon be appearing in tin-lined or tin-alloyed tubes. As part of the OPM's program to conserve tin for the production of essential military supplies, tube manufacturers and industries using such containers are developing substitute alloys for tin tubes. It is estimated that 1,000 tons of tin can be saved each year in this way.

Experiments are now under way in the National Bureau of Standards and the Food and Drug Administration to determine the possibilities of similar substitution in the case of tube containers for tooth pastes and other pharmaceutical preparations. Before container substitutions are recommended, thorough tests will be undertaken to make certain that such tubes will be suitable for the products.

Extensive experimentation in the use of plastics for defense equipment is being accompanied by the development of new plastics in consumer goods. Plastics have been increasingly used in safety glass, radio parts, paint and varnish products, plywood manufacture, cigarette cases and compacts, millinery trims, costume jewelry, electrical products, and many other consumer goods.

Canned Fruit

Army and Navy purchases from the 1941 pack of canned fruit probably will not appreciably affect the supply available to civilian consumers, according to available information.

Military requirements from the forthcoming pack will total about 2,000,000 cases of canned fruit. The Bureau of Agricultural Economics points out, however, that this will not account for a proportionate increase in the total demand for canned fruit since much of it represents only a shift in consumption from civilian to military channels.

A general increase in civilian consumption is anticipated, but the supply is expected to be adequate for these reasons:

1. Current estimates indicate a larger fruit crop this year than last.

2. A large amount of fruit will be available for domestic consumption as the result of loss of exports to the Continent. Some fruit, formerly dried and shipped abroad, probably will be canned for domestic consumption.

3. Cannery are anticipating an expanding market and are making efforts to can an increased proportion of the crop accordingly.

The Agricultural Marketing Service estimated on June 1 that the peach crop for 1941 will total 66.1 million bushels compared to 54.4 million in 1940. An estimated 325,000 short tons of California freestones and clingstones will be canned this year compared to 311,000 short tons last year. A carry-over of Pacific Coast canned pears, three times the relatively small stocks of last year, may tend to restrict pear canning this year. Increased canning of cherries is predicted in view of the small prospective carry-overs of sour and sweet cherries and the increase in domestic demand.

Price prospects are less clear. The Bureau of Agricultural Economics reports that increased consumer purchasing power and demand for fruits probably will partly offset the lower prices which might otherwise result from increased supplies.

Retail prices in some canned fruits have already advanced. The Bureau of Labor Statistics reports an advance in the 51-city monthly average price for canned peaches (size 2½ can) from 17 cents in June 1939 to 17.5 cents in June 1941. This is not, however, as high as the average of 19.8 cents prevailing in June 1937, during a period of expanded purchasing power and more restricted supply.

LABOR . . .

Defense officials tell of measures to relieve pressure of worker migration

Last week several leaders in the defense organization appeared before the Committee of the House of Representatives Investigating National Defense Migration. Among them were Associate Director General Hillman, Purchases Director Nelson, OPACS Administrator Henderson and Charles P. Taft, Assistant Coordinator of Health, Welfare and Related Defense Activities. Excerpts from their testimony follow:

MR. HILLMAN

I am not here seeking to deal with the orderly planned movement of labor to newly developed defense plants, and the like, but rather with the problem of the unplanned disorderly migration of men searching work, from city to city. Fortunately, there has not yet been any large-scale migration of labor, with its resultant chaos, during this first year of the defense effort, comparable to that which took place in the defense production of the World War. And furthermore, as the months have passed, the information which reaches me indicates that the tendency of labor to migrate has not increased in any degree commensurate with the expansion of defense output, which as you know has multiplied during these months in all 18 of the major defense industries, in addition to the expansion in consumer goods industries as well. In fact, while it is impossible to obtain exact figures of the total amount of labor migration, it is my impression that instead of *increasing* in these latest months, it has actually been *reduced*. This does not mean, however, that migration has been eliminated, or that it has ceased to be a cause for grave concern.

Disorder means high turn-over

I need hardly explain why we are eager to keep labor migration to a minimum, and to keep under control whatever relocation of workers must occur. A disorderly labor situation means high turn-over in the plants, and this is both costly to industry and injurious to sufficient production. Plants that have an adequate and well-established labor force should not have that force disrupted by the pirating practices of other plants. Again, an uncontrolled inflow

of migratory workers into communities already glutted with defense workers is bound to create serious housing shortages, rising rents, and in some cases health and social problems besides. Finally, those communities and areas from which labor migration proceeds are bound to suffer serious loss both in their normal civilian pursuits and in case they should later be incorporated into the defense effort. For all these reasons, it has been the policy of the Labor Division from the beginning that every worker should, if possible, be employed locally, be trained locally, and be brought into the defense effort locally. Labor tends to migrate from those sections where such opportunity is less, to those points where opportunity exists or is reported to exist. The Labor Division from its inception has urged that contracts be equitably distributed and that they be placed in areas where idle men and idle machines were to be found.

Suitable housing scarce

It is obvious that in order to insure swift and efficient production of defense materials, there must not only be an adequate supply of qualified labor, but also housing facilities at rent levels within the economic range of that labor. I have here a tabulation listing 68 localities for which the Defense Housing Coordinator has established a quota for private builders. For 60 of these localities, there are comparable figures showing the total amount of private building done in 1940. In 30 of these localities, private building in 1940 was greater in amount than that recommended by the Coordinator to be privately constructed in 1941, and for 30 localities it was less.

However, we cannot approach this problem solely from the standpoint of the *amount* of housing. We must also concern ourselves with the *type* of housing which defense workers require. Much of the new building consists in dwellings for purchase, whereas much of the requirement of defense workers is for rental housing. While our facts are not complete, it is clear, that in many localities, the housing that is being built cannot be made available for defense workers. In Hartford, Conn., for example, of 1,190 permits filed for new

dwelling units, financed from private funds, 898 had permit values of \$4,000 or more, indicating purchase prices of \$5,600 or more. Housing in this price category is generally out of the reach of defense workers. This situation is generally true of the cities covered in the tables which I am submitting for the record.

Our major policy in supplying manpower to defense industries has been that the fullest possible use should be made of the labor supply that is locally resident in the vicinity of the defense plants. The condition we have striven to bring about is the exact opposite of a condition of migration. It involves the hiring, by defense employers, of the highest possible amounts of local labor, plus the training of that labor to qualify it for the defense jobs of its locality.

Placing workers

During the first 11 months of the defense effort, the Bureau of Employment Security registered more than 6,500,000 workers, and placed 1,500,000 of them in jobs, for the most part defense jobs. Wherever stringencies in certain skills appeared our training program went into operation.

There are two broad divisions of that program—training in vocational classes outside of industry, and training within industry. Let me briefly describe them.

The training outside of industry includes three kinds of classes. There is the primary or preemployment training. There is the training for former skilled workers whose skills may have grown rusty because they worked in other callings during the depression. And there is the specialized training or supplementary courses, largely out-of-hours courses for defense workers who desire to upgrade their skills.

Starting July 1, 1940, and up to May 31, 1941, 716,655 individual workers were trained in the preemployment, refresher, and supplementary courses. Out-of-school youth, rural and nonrural, were trained in vocational courses to the number of 132,253 individuals. The WPA has supported a great many of these trainees. The vocational courses on the NYA work projects trained 125,000, and the various engineering colleges trained 95,529. That is a total of 1,059,347 persons trained, and in addition on June 21, 1941, the National Youth Administration had 354,936 young people employed in its out-of-school work program. The Appren-

ticeship Unit of the U. S. Office of Education further had 125,000 apprentices working in various approved plants and shops, on funds provided by the Federal Government. All such training helps to reduce the migration of workers by encouraging the employment of locally resident labor.

Resident workers may be locally trained, however, and employed, without removing one basic cause for the migration of workers. This lies in inequalities of wages, hours, and working conditions that exist in different localities and between different plants in the same industry. Different wage scales in shipyards within the same area, for example, might be expected to create excessive labor turn-over in that area.

Stabilization contracts

It was because of this that the Labor Division last November 27 launched its program of stabilization for the shipbuilding industry, which today is virtually complete. The plan was to bring the employing shipbuilding concerns into conference with the organizations of shipyard labor and with the Navy and Maritime Commission, under the auspices of OPM; and to work out a general agreement on basic zone standards, one agreement for each shipbuilding sector. The Pacific Coast agreement was the first; it was reached on April 11. The Atlantic Coast agreement has been consummated and also has been signed by all parties; the Gulf agreement is scheduled to go into effect August 1, and the Great Lakes agreement was concluded July 11 and its terms are now in process of final approval.

We are now in the first stages of extending this stabilization system to the aircraft industry. OPM has similarly initiated a stabilization program for the construction industry. A tentative agreement has already been arrived at between the Federal agencies in charge of construction and the building trades. By stabilizing conditions on an industry-wide basis, migration is discouraged.

The temptation to the worker to leave home and migrate is felt with special strength in those communities which have no share in the work of defense production.

Last autumn the Labor Division became interested in the so-called "ghost towns" and had a study made of them. Further, a general policy of subcontracting was strongly advocated.

One further point remains. The effect of mandatory priority orders in creating unemployment in plants which cannot

get materials is at present causing concern, and a special section of the Labor Division has been established to deal with the whole problem of priorities in their effect on labor displacement.

MR. NELSON

One of our basic policies has been to avoid, insofar as possible, both undue concentration of orders and undue centralization of industry. Clearly, it would be undesirable to allot so many orders to over-worked communities as to exaggerate inward migration of laborers and thus lead to unhealthy congestion. Likewise, it would be unwise to erect so many new facilities in outlying areas as to cause mushrooming of temporary towns.

In this connection, a further factor must always be recognized: that is, as the defense program grows, with its demands on both labor and materials, production for civilian use is bound to be curtailed in many lines of business. One result is the progressive unemployment of former civilian-goods workers, and to meet this progressive change, we need to allot defense orders, so far as feasible, to the areas where transfer of workers to defense projects can best and most speedily be carried out.

Broadly, the distribution of Army and Navy orders has tended to follow rather than to deviate from the previously existing pattern of industrial activity.

Tendency toward decentralization

When we consider the distribution of War and Navy contracts for new facilities, however, there are sharper contrasts. In part, new facility locations are determined by strategic factors, which are purely for military authorities to decide upon, and in part, by economic considerations. But the figures show that new facilities contracts have been placed much more definitely away from highly industrialized areas.

Supplies contracts have followed the location of industry and its workers; but new facilities have been planned to follow a policy of at least partial decentralization. The decisions on new plant locations are made only after most thorough analyses by military boards and by the civilian advisory boards, including recently the Plant Site Board.

The initial negotiations for the selection of sites for new industrial facilities in connection with the defense problem is in the hands of the technical agencies responsible for assuring an adequate supply of the articles to be produced.

Procedure for site selection

The officer in charge of the program prepares a statement describing the site proposed indicating its requirements in terms of labor, power, transportation, water, raw materials and so forth, and how it is proposed that they be met at this location. This proposal is submitted to the War Department Facilities Board, established in the Office of the Under Secretary of War. The War Department Facilities Board transmits the proposal with all available information about it to the Plant Site Board of the Office of Production Management.

On the basis of the requirements submitted with the proposal the staff of the Plant Site Board secures all available data with respect to the resources of the community in which the plant is to be located which will throw light on its ability to meet these requirements. Particular emphasis is put on the availability of labor at the time the plant can get in operation, the availability of power at that time, the supply of vacant houses in case workers must be imported, the character and quantity of training equipment and facilities in case workers must be trained, the nature of the land to be purchased where large acreage is involved and the number of persons who must be dispossessed, the effect of the proposed location on transportation facilities generally, and particularly the relation between the location and the sources of raw materials and the destinations of the finished products.

In addition the Plant Site Board is instructed in the regulation establishing it to "seek insofar as it can do so consistently with due expedition of the program of defense production and appropriate factors of military strategy to facilitate the geographic decentralization of defense industry and the full employment of all labor and facilities."

Although for many years there has been a large backlog of unemployed throughout the country this is no longer the case. We now have in many locations acute labor shortages. In the course of the next year when the greater part of the new facilities under construction will get into operation these shortages will be far more widespread. As a result labor supply has become a key problem in selecting suitable sites for new plants.

MR. HENDERSON

Rents charged for housing accommodations in defense areas have a direct bearing on many aspects of labor migration. If defense production is to pro-

ceed smoothly, we must be assured (1) That workers will be willing to migrate to those areas where they are needed, when they are needed; (2) that once they have accepted defense jobs in new localities their living costs and general living facilities are reasonable enough to keep them there; (3) that if they choose to stay, their health and morale will be maintained.

Rents react to growing demand

It will be difficult to continue to attract workers with the necessary skills to aircraft, shipbuilding, and ordnance centers unless they are provided with decent housing facilities at reasonable rents. Private residential construction and Government allocations for defense housing are alleviating congestion, but in many areas they are not able to keep pace with the growing demand for rental housing, and as a result of the shortage, rents are reacting sharply. In some shipbuilding, ordnance, and Army cantonment centers as many as one out of every two rented homes have had rent increases ranging from 20 to 100 percent since October 1939.

When situations of this character develop, increasing the supply of available housing facilities is the obvious solution. But where this cannot be done fast enough and in sufficient quantity, some control of the rental situation becomes imperative. Otherwise, workers will avoid those very defense centers where their skills are required. Or, if they do come, they will soon discover that high wages are illusory when exorbitant rentals eat away a third and more of their earnings. Workers will move out again.

Fair Rent Committees established

In the Price Division of our Office there is a Rent Unit which sends members of its field staff into those areas most seriously affected by rent increases. Frequently they go at the direct request of local officials. After reviewing the situation, members of our staff aid municipal authorities and local defense councils in establishing what we call Fair Rent Committees. Our staff outlines fundamental principles of procedure on a voluntary basis. After the Fair Rent Committee has been appointed by the mayor, it publicly points out the dangers of exorbitant rentals and sets up an office to receive tenant complaints. These complaints are examined, and cases are selected for mediation. The landlord is summoned to a hearing to explain the increase, and the committee, after considering a variety of factors, makes a specific recommenda-

North Atlantic export unloadings exceed first 6 months of 1940 by 13 percent

Cars of export freight, other than grain, unloaded at North Atlantic ports—from Hampton Roads, Va., to the Canadian border—totalled 184,231 in the first 6 months of 1941, an increase of 22,027 cars or 13.6 percent compared with the same period last year, according to information furnished to Ralph Budd, Transportation Commissioner, by the Association of American Railroads. At all Atlantic, Gulf, and Pacific ports, unloadings totalled 283,537 cars, an increase of 6,934 or 2.5 percent above the same period last year.

In the month of June alone, 48,296 cars of export freight, other than grain, were unloaded at Atlantic, Gulf, and Pacific ports compared with 49,557 cars in June 1940.

Cars of grain for export unloaded in June this year at those ports totalled 4,230 compared with 1,493 in the same month last year.

No congestion or delay to traffic exists at any of the Atlantic, Gulf, or Pacific ports, due to the cooperation of railroads, steamship lines, port authorities, exporters, and shippers.

New York unloadings reach new high

At the Port of New York the number of cars unloaded for lighterage in June 1941 averaged 1,102 daily. This was the highest average rate of unloading since November 1939 when the figures were first compiled, exceeding the previous high, which occurred in May 1941, by 59 cars daily and making the second consecutive month in which unloadings exceeded 1,000 cars daily. In June

1940, average loading of cars for lighterage was 922 daily.

East-bound freight, of which approximately 88.6 percent was for export, lighterage at New York in June 1941, totalled 724,864 tons, compared with 680,761 tons in the preceding month and 644,857 tons in June 1940. This was an increase of 6.5 percent compared with May 1941 and an increase of 12.4 percent compared with June last year.

West-bound tonnage increases

West-bound lighterage tonnage, most of which is import traffic, totalled 254,410 tons in June 1941 compared with 247,693 tons in the preceding month, and 121,374 tons in June 1940. This was an increase of 2.7 percent compared with May 1941, and an increase of 109.6 percent compared with June last year. Both the east-bound and the west-bound lighterage tonnage handled during June this year was the heaviest moving in any one month since the Association began compiling the statistics in November 1939.

Cars of export freight, other than grain, unloaded at Boston in June totalled 471, compared with 1,110 in June last year, or a decrease of 58 percent. There was an increase of 136 percent in the number of cars of coastwise and intercoastal traffic unloaded at the port, compared with June last year.

At Philadelphia, 2,452 cars of export freight, other than grain, were unloaded in June, compared with 2,581 last year, or a decrease of 5 percent. There was an increase of 10 percent in the number of cars of coastwise and intercoastal traffic unloaded at the port, compared with June last year.

Cars of export freight, other than grain, unloaded at Baltimore in June totalled 2,794 compared with 4,400 in June last year, or a decrease of 37 percent.

At Hampton Roads, 1,395 cars of export freight, other than grain, were unloaded in June, compared with 2,203 last year, or a decrease of 36 percent.

Notwithstanding the heavy movement of export traffic through the North Atlantic ports, particularly Boston, New York, Philadelphia, and Baltimore, there are ample rail storage facilities at all of the ports.

tion. The actual power of the Fair Rent Committee is dependent upon the degree of public support which it enjoys in a community. Some 10 such committees are now functioning; others are being set up.

This method of procedure on a voluntary basis has certain patent limitations. Voluntary control may succeed temporarily in restraining upward trends; it lacks the authority to reverse such trends. There is no question in my mind that ultimately the authority of law will have to be invoked to curb rent increases in those areas where voluntary methods are only partially successful.

MR. TAFT

Centers of industrial concentration present different problems. There are the already established industrial centers whose multiple industries are converted

to defense needs and which are, in addition, the sites of greatly increased new facilities. True, the influx may be so small relatively that the population can readily absorb it. But it is more likely, as in the case of Detroit, which anticipates 75,000 in-migrants out of the 350,000 needed by 68 areas for defense industry, that the city has reached its ultimate expansion and will have to spread to out-lying areas beyond city and even county units.

Somewhat different is the case of a fair sized city such as Wichita, Kans., which is still undergoing expansion. Here one industry, aviation, has received contracts requiring huge construction and operation labor. Here the need is greatest for the development of the nucleus of growing facilities to meet the needs of the added population without distortion of the community plan in the direction of the new defense activity.

TRANSPORTATION . . .

Railway cars October 1 may be 20,000 short of schedule at present rate, Budd fears

At the present rate of interruption in freight-car building, the railways may fall 20,000 cars short of the program set up for October 1, Transportation Commission Ralph Budd, OEM, told the American Short Line Railroad Association in Chicago, July 14. Excerpts from his address follow:

If the total industrial activity of the United States is considered as a vast production line, the capacity of which is to be enlarged, then transportation should be regarded as one of the vital parts of that production line and in order that the entire effort may be in balance, the capacity of the carriers must be increased as enlargement of the other segments takes place, just as would be necessary when planning for increased output in a single factory.

Transportation had at least two advantages at the start of the defense program. First, due to the rapid development of new forms of transport there had been built up a capacity for moving goods and people far in excess of the normal requirements, and, second, since the moving of persons, materials, and supplies for defense work is similar to such movement for other purposes, there was no necessity to change the plant, like retooling a factory, but only to enlarge it as might become necessary to handle the increasing load.

In carrying on such a prodigious program as that now under way, the movement of certain commodities precedes the manufacturing process, and the railroads especially are called upon for the initial movement of raw materials. Perhaps the best concrete example of this is that of iron ore, which, to a very large extent, comes from the Minnesota, Wisconsin, and Michigan ranges, and mostly moves through the Soo Canal to the Chicago District and Lake Erie ports. Present indications are that the amount of ore which will be mined in these regions this year will exceed the highest previous year by about 10,000,000 long tons. Up to the first of July this year 11,000,000 tons more ore had been removed than was moved prior to July last year. This represents an increase of 60 percent and is one of the most important facts in connection with national defense.

In order that cooperative efforts of shippers and carriers may be most successful, cars, locomotives, and track must be kept in good condition, and bad order cars held at the lowest practicable level. This responsibility is one for the railways, and normally they should assume it without any question. At the moment, however, railways are having difficulty in getting materials for proper maintenance, and for new cars and locomotives. Sympathetic consideration has been given to the appeals for priorities which will permit suppliers to fill railway orders, but the necessary action to bring deliveries is exceedingly slow. Transportation must be recognized as equally vital with any other part of the defense effort, and the time has come when such recognition must be expressed in necessary materials.

Just a year ago, July 16, 1940, to be exact, after consultation with the railroads, I addressed a letter to the Association of American Railroads, setting up 1,700,000 railway-owned freight cars as a goal which should be reached as soon as practicable. This meant an increase of about 60,000 cars, and at the same time replacing cars that were being dismantled. Probably the retirements would amount to not more than 40,000 a year since many old cars are being repaired and kept in service. The orders were placed for these cars, and also for necessary locomotives, but I regret to say that the program has fallen down and is falling down.

I fear that at the present rate of interruption due to shortage of material and to delays from strikes at car building and supply plants, the railways may fall 20,000 cars short of the program set up for October 1 this year. Unless material is released for railway use, the program will fall down worse in the future, because for the year ending October 1, 1942, the railways had hoped to add 120,000 cars to their ownership. Taking account of retirements, this would mean a 160,000 car program between October 1, 1941, and October 1, 1942.

Maintenance and improvements in other forms of transportation require attention, too, and their needs are receiving full consideration.

Railroad cars on order greatest number since 1923

On July 1 the railroads had more new freight cars on order than at any time since 1923, and more locomotives on order than at any time in the past 15 years, according to reports made by individual carriers to the Association of American Railroads and made available to Ralph Budd, Transportation Commissioner. On order as of July 1 were 92,566 freight cars and 559 locomotives.

The number of cars on order was 27,519 more than on June 1, 1941. It also was more than five times as many as were on order on July 1 last year, at the beginning of the rearmament program in the United States.

Of the total on order on July 1 this year, 59,813 were box cars; 28,008 coal cars; 2,378 flat cars; 1,350 refrigerator cars; 100 stock cars, and 917 miscellaneous cars.

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Carloadings still short of June peak

Freight-car loadings during the week ended July 12 totaled 876,165, an increase of 18.9 percent over the corresponding week in 1940 when 736,783 cars were loaded. This was an increase of approximately 136,000 cars over the previous week when loadings were down by reason of the Fourth of July holiday. It fell short, however, of the peak of 908,664 reached during the last week in June. To some extent this was due to the fact that the coal miners' vacation included Monday, July 7, which affected coal loadings during the week ending July 12. In addition to the loss of 24,000 in coal loadings compared to the last week in June, the miscellaneous loading dropped off 20,000 cars. The details follow:

CARLOADINGS WEEK ENDING JULY 12

	1941	1940	Percent increase
Grain and grain products.....	62,697	56,457	11.1
Livestock.....	10,177	11,627	12.5
Coal.....	147,492	127,371	15.8
Coke.....	13,576	9,949	36.6
Forest products.....	44,252	31,015	42.7
Ore.....	81,104	69,633	16.6
Miscellaneous, l. c. l.	154,133	146,080	5.5
Miscellaneous.....	362,734	284,651	27.4
Total.....	876,165	736,783	18.9
Cumulative (28 weeks).....	21,463,086	18,288,487	17.4

¹ Decrease.

AGRICULTURE . . .

(Information furnished through Office of Agricultural Defense Relations, U. S. Department of Agriculture)

Agriculture to be represented in OPM defense commodity groups

Agriculture has been assured of representation in those of the recently created OPM defense commodity groups which are concerned with "commodities produced by agriculture or necessary to the production of agriculture." These groups will consist of Government officials working with the defense industry advisory committees now being set up.

The assurance came from Sidney Hillman, associate director general, who also wrote for William S. Knudsen, director general, OPM, in an exchange of letters with M. Clifford Townsend, director, Office of Agricultural Defense Relations, United States Department of Agriculture.

Agriculture's basic part

In requesting representation for agriculture, Director Townsend outlined to OPM officials agriculture's basic part in the defense program.

"American agriculture," his letter said, "is responsible for the production of adequate supplies of foods and fibers for domestic and military use, and for the needs of nations resisting aggression. Thus, we are directly concerned in the production of such commodities as food, fibers, leather, drugs, rubber, fats, and

oils. In discharging this responsibility, agriculture is an important user of a wide range of metals, chemicals, and other supplies, and has a substantial interest in the advisory committees dealing with these commodities. American agriculture, as an important employer of labor, is interested in the operations of the Labor Division of the Office of Production Management and maintains a liaison contact with the Labor Division."

Interested agencies to be notified

In reply, Mr. Hillman wrote:

"In order efficiently to organize and centralize the formation and operation of defense industry advisory committees, the Office of Production Management has created a bureau of clearance with Sidney J. Weinberg as chief, which will be in charge of notifying each Government agency of each meeting held by any of such committees, in which the Government agency might have an interest. As OPM wishes to cooperate with you in every possible way, I have spoken to Mr. Weinberg, who has advised me that he received a copy of your letter to Mr. Knudsen and that he has directed the Bureau to notify you whenever any meetings of a defense industry advisory committee are to be held."

Loans and underwriting support feed storage

The Department of Agriculture has announced a plan to store reserve supplies of milled feed on farms in Northeastern States in order to avoid possible shortages that would hamper efforts to increase dairy, poultry, and livestock production required for the national defense program.

The plan is designed to assure adequate supplies of feed in the area in the event shortage in transportation—which may develop in connection with the defense program—limits shipments of grain from the producing areas in the Midwest or limits shipments of milled feed within the area. Producers and dealers in this area at present often maintain less than 1 week's supply of feed, whereas under the program participating farmers would maintain approximately 3 months' supply. The plan, by distributing grain to farms for storage in the form of feed, would also make available in grain-producing areas additional storage space needed for the 1941 grain crop.

Handled by cooperatives

To facilitate accumulation of these reserves, the Commodity Credit Corporation and Farm Credit Administration are making arrangements with farmer-cooperatives in the Northeastern States whereby grain owned by the CCC will be sold to cooperatives for milling purposes. The cooperatives will store the milled feeds on the farms of their members under an arrangement protecting the farmers against price declines.

The CCC will underwrite any decrease in the price of feed ingredients from the date the feed is placed in storage to the date it is released. Loans will be made available to cooperatives for the feed purchases through the Farm Credit Administration.

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Wells, of OADR, to serve on truck transportation committee

James E. Wells, Jr., chief of the Transportation and Marketing Division, OADR, has been designated to represent agriculture on the Central Motor Truck Transportation Committee of the Transportation Division, OEM.

Defense clothes for women designed for each type of work

An unusual amount of interest is being shown the country over in the new work clothes for women designed by textile specialists in the U. S. Department of Agriculture, according to Dr. Louise Stanley, chief of the Bureau of Home Economics.

It is expected that these new outfits will be adopted widely as women take over more and more jobs in the national defense program—jobs in defense industries and about the farm.

In the Beltsville, Md., clothing laboratories of the Department, these clothes have been worked out along functional lines. Each different garment has been designed for some particular type of work, after a careful study was made of

what a woman does on that job. To date, nearly a dozen designs have been released to the clothing trade and the pattern makers. Others are still being perfected in the laboratory.

Designed especially for women who work around machines in defense industries is a one-piece mechanic's suit. Cut into this suit is room for reaching, sitting, stooping. Legs are shaped in to the ankles and closed with slide fasteners so they won't trip the wearer or drag in the dirt. Pockets are placed where they won't catch on things.

To protect the hair and eyes there's a visor cap that goes along with this suit. It may be adjusted to different head sizes, lies flat for ironing.

HOUSING . . .

1,918 defense homes completed in week and 1,165 put under construction contract

Homes totaling 1,918 were completed and 1,165 placed under construction contract the week ended July 12, C. F. Palmer, Coordinator of Defense Housing, announced July 18.

Progress was also reported in the temporary shelter program, with the completion of 472 single dwelling units, and contracts placed for the construction of 351 more. The total number of dormitory units now available is 3,548.

In addition, contracts were let for 1,075 trailers, and 305 were completed, in the week.

3 Federal agencies complete homes

Among the new completions were 350 homes at Columbus, Ga., 145 at Houston, Tex., and 246 at Hickman Field, Hawaii. These homes were all constructed by Public Buildings Administration for enlisted personnel. The Navy and the United States Housing Authority were among the agencies completing homes for civilian workers during the week. The Navy completed 110 at Newport News, Va., and 67 at Alexandria, Va., while the United States Housing Authority completed, among others, 50 at Dumas, Tex.

107,000 homes allocated in program

The Public Buildings Administration also awarded construction contracts for 80 homes for enlisted personnel at Rockford, Ill., and 375 at Burlington, Iowa,

for civilian government workers. The Federal Works Agency awarded contracts in Kingsbury-LaPorte, Ind., for 200 homes, and the United States Housing Authority awarded contracts in Gadsden, Ala., for 100, both for civilian workers.

20,865 built in year

Since the inception of the defense housing program, July 7, a year ago, over 107,000 homes have been allocated. Of this number, 71,371 have been placed under construction contract and 20,865 completed.

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Two radio programs portray Defense Housing progress

Two radio programs were scheduled this week to portray progress in the Defense Housing program. The first was a Defense Housing Report to the Nation. The weekly Columbia Broadcasting System's Report to the Nation dealt with Defense Housing, July 21 at 7 p. m. The second show, set for the Mutual System, July 22, 4:15 p. m. was to be a dramatic presentation featuring a typical defense worker which was developed by the Radio Section of the Office for Emergency Management and the Division of Defense Housing Coordination.

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Steel drum makers meet with OPM on plate supplies

Representatives of 27 manufacturers of steel drums were to meet informally with officials of the Division of Purchases, OPM, and other interested agencies, on July 21, to consider problems arising from the industry's increasing difficulties in getting enough steel plate to meet demands in connection with the defense program.

Purchases Director Nelson said that formal establishment of a defense industry committee was not contemplated at present. Instead, he said, it was hoped that Monday's informal conference would enable the Division of Purchases to determine what action will be needed to insure a sufficient continuing supply of containers.

He pointed out that in addition to the fact that the Army and Navy are extensive purchasers of steel containers, this industry serves four other industries vital to defense—petroleum products, paint, chemicals, and foods. Among the subjects to be discussed with the industry were simplification and revision of specifications, substitution, and conservation of material.

Lead users told to try regular suppliers before Metals Reserve

Priorities Director Stettinius, said July 21 that industrial consumers of lead should try to place orders with their regular suppliers before making any application to the OPM for allocations of lead held by the Metals Reserve Co. of the Reconstruction Finance Corporation.

Jesse Jones, Administrator of the Federal Loan Agency, has announced that the Metals Reserve Co. has completed arrangements to buy up to 225,000 short tons of Canadian and Mexican lead during the second half of 1941.

Mr. Stettinius said, however, that no applications for allocations will be entertained until the users of lead have tried the usual methods of obtaining the metal from their suppliers.

If the total requirements of the consumers cannot be furnished by regular suppliers, application for an allocation should be made to the commodity branch handling lead, headed by Erwin Vogel-sang, New Social Security Building, Washington, D. C.

Lead is *not* under mandatory priority control at the present time.

STATUS OF PUBLIC DEFENSE HOUSING CONSTRUCTION, JULY 12, 1941

	Funds allocated		Contracts awarded		Completed	
	July 12	July 5	July 12	July 5	July 12	July 5
Number of States and Territories.....	49	49	47	46	30	29
Number of localities.....	170	170	145	142	70	65
Number of projects.....	410	410	254	243	89	82
Number of family dwelling units (regular).....	107,383	107,383	71,311	70,146	20,865	18,947
Civilian industrial workers in private defense industry.....	47,455	47,455	24,440	24,440	3,795	3,235
Civilian industrial workers in Government plants.....	19,201	19,201	13,701	13,026	4,092	3,918
Other civilians, employed by the Army and Navy.....	10,642	10,642	8,559	8,509	2,688	2,656
Married enlisted personnel.....	30,085	30,085	24,611	24,171	10,290	9,123
Number of family dwelling units (trailers).....	4,094	4,094	3,234	2,159	1,475	1,170
Civilian industrial workers in private defense industry.....	3,594	3,594	3,234	2,159	1,475	1,170
Civilian industrial workers in Government plants.....	500	500				
Number of units for single persons.....	8,891	8,891	6,876	6,525	3,548	3,076

PRIVATE CONSTRUCTION UNDER FHA MORTGAGE INSURANCE

Jan. 1 through July 12.....	108,608
Week ended July 12.....	6,286

CIVILIAN DEFENSE . . .

Aluminum collection procedure outlined to officials of all States as drive opens

Director LaGuardia, OCD, on July 17, sent telegrams to all Governors giving them the locations of concentration points in their States to which, under a simplified plan, local communities will ship their collections of used aluminum-ware at the completion of the house-to-house canvass July 21-29.

Governors were asked to notify each local committee of the concentration point to which it should ship its aluminum.

All the scrap should be weighed, and a memorandum be prepared by each local committee, giving the weight and the location of the concentration point to which the aluminum scrap was delivered. This memorandum should be sent to the Division of Information, OEM, Room 5525, Social Security Building, Washington, D. C.

The local committee should arrange volunteer transportation to the concentration point. If the distance involved is great, the State transportation subcommittee may be asked to help.

The Procurement Division of the United States Treasury Department has been designated as the agency of the Government to dispose of the aluminum.

After the scrap has been collected at the concentration points, the State Procurement officers of the Treasury Department, with the advice of the OPM, will direct the shipment of the material to the nearest available smelter holding a defense preference rating.

All scrap assembled at each concentration point will be sold through public bids to smelters with defense preference ratings before any sorting or preparing has been done.

Leaders in each locality were asked not to ship any scrap until the local campaign is completed.

Following is a complete list of these concentration points for the entire country.

Alabama—Mobile, Birmingham, Montgomery, Ozark, and Decatur.
Arizona—Phoenix and Tucson.
Arkansas—Little Rock, Texarkana, and Fort Smith.
California—Los Angeles, San Francisco, Fresno, Santa Barbara, San Diego, Long Beach, Stockton, Sacramento, and Eureka.
Colorado—Denver and Pueblo.
Connecticut—Hartford, Bridgeport, New London, and New Haven.

District of Columbia—Washington, D. C.
Delaware—Wilmington.
Florida—Jacksonville, Miami, Tampa, and Tallahassee.
Georgia—Atlanta, Savannah, Macon, Columbus, and Valdosta.
Idaho—Boise and Pocatello.
Illinois—Chicago, Aurora, Springfield, Peoria, East St. Louis, Bloomington, Champaign, Rockford, and Rock Island.
Indiana—Indianapolis, Evansville, Fort Wayne, South Bend, Muncie, and Terre Haute.
Iowa—Des Moines, Sioux City, Cedar Rapids, Waterloo, and Keokuk.
Kansas—Wichita, Kansas City, Dodge City, and Topeka.
Kentucky—Lexington, Louisville, and Paducah.
Louisiana—New Orleans, Shreveport, Baton Rouge, Monroe, and Alexandria.
Maine—Bangor, Portland, and Augusta.
Maryland—Baltimore.
Massachusetts—Boston, Worcester, Springfield, Pittsfield, Fitchburg, and New Bedford.
Michigan—Detroit, Grand Rapids, Marquette, Lansing, Saginaw, Traverse City, Sault Ste. Marie, and Kalamazoo.
Minnesota—Minneapolis, Duluth, Brainerd, St. Paul, and Albert Lea.
Missouri—St. Louis, Kansas City, Joplin, Jefferson City, and Poplar Bluff.
Mississippi—Jackson, Vicksburg, and Natchez.
Montana—Butte, Billings, and Missoula.
Nebraska—Omaha, Lincoln, and North Platte.
Nevada—Reno.
New Hampshire—Portsmouth, Concord, and Nashua.
New Jersey—Newark, Camden, Jersey City, Atlantic City, Phillipsburg, Paterson, and Trenton.
New Mexico—Santa Fe.
New York—New York City (5 boroughs), Albany, Rochester, Buffalo, Syracuse, Malone, Watertown, Niagara Falls, Jamestown, White Plains, Schenectady, Elmira and Kingston.
North Carolina—Charlotte, Greensboro, Asheville, Raleigh, and Wilmington.
North Dakota—Bismarck and Fargo.
Ohio—Cincinnati, Columbus, Toledo, Cleveland, Youngstown, Lima, Dayton, Canton, and Marietta.
Oklahoma—Oklahoma City and Tulsa.
Oregon—Portland, Pendleton, and Salem.
Pennsylvania—Philadelphia, Harrisburg, Pittsburgh, Scranton, Pottsville, Reading, Johnstown, and Erie.
Rhode Island—Providence.
South Carolina—Columbia, Spartanburg, and Charleston.
South Dakota—Sioux Falls and Pierre.
Tennessee—Memphis, Nashville, Knoxville, and Chattanooga.
Texas—San Antonio, Houston, Dallas, El Paso, Amarillo, Ft. Worth, Brownsville, and Austin.
Utah—Salt Lake City.
Vermont—Montpelier, Rutland, and Burlington.
Virginia—Richmond, Lynchburg, Staunton, Roanoke, Danville, Alexandria, Norfolk, Suffolk, Salem, and Bristol.
Washington—Seattle, Spokane, and Walla Walla.
West Virginia—Charleston, Wheeling, and Bluefield.
Wisconsin—Milwaukee, Eau Claire, Green Bay, Superior, Madison, and La Crosse.
Wyoming—Cheyenne.

Director LaGuardia names three inspectors general

Director LaGuardia, OCD, announced July 17 the appointment of three former mayors to be inspectors general of his organization. They are—

Bernard M. Dickman, former mayor of St. Louis, Mo., who will proceed to Omaha, Nebr., to organize the regional office of civilian defense for the Seventh Corps Area.

Joseph Carson, Jr., former mayor of Portland, Oreg., who will organize the regional office for the Ninth Corps Area in San Francisco.

Joseph D. Scholtz, present mayor of Louisville, Ky., whose term as mayor will expire this fall, to serve at large.

Regional directors have been appointed and offices have already been set up by Mayor LaGuardia in three of the nine corps areas.

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Walmsley appointed Acting Deputy Director of OCD

T. Semmes Walmsley, former mayor of New Orleans, was appointed Inspector General and Acting Deputy Director of OCD, July 18 by Mayor F. H. LaGuardia, Director.

Mr. Walmsley will inspect State and local defense units and help organize regional offices of civilian defense. He will work out of Washington.

★ ★ ★

Money from sale of aluminum to buy metal for training planes

Proceeds from the sale of the aluminum pots and pans the housewives of America contribute during the national campaign for aluminum scrap will go to purchase aluminum for the construction of trainer planes for the Army and Navy, it was announced July 13 by Mayor F. H. LaGuardia, Director of the Office of Civilian Defense.

Mayor LaGuardia's announcement followed conferences with officials of the Office of Production Management.

17 immediate steps for local councils outlined in New York State manual

Seventeen immediate activities to be undertaken are listed in a **MANUAL FOR LOCAL DEFENSE COUNCILS**, recently issued by the New York State Council of Defense of which Governor Herbert H. Lehman is chairman and Lieutenant Governor Charles Poletti is vice chairman.

Functions which defense councils should perform are grouped under three main heads. The report states that local defense councils must: "(1) Organize community resources to speed up the national defense program; (2) adopt programs providing for the protection of persons and property should any emergency arise; and (3) promote and stimulate civilian morale in order to get everyone in the community to cooperate in the defense effort."

Cooperation urged

The report urges cooperation with existing groups, counseling that "one of the first tasks local councils should undertake is a survey of all agencies, both public and private, within their jurisdictions, engaged in different parts of the defense program," and that "cooperation between county and city defense councils cannot be urged too strongly."

The 17 activities to be undertaken immediately by New York local defense councils are:

(1) A survey of defense activities of local, public, and private agencies with a view to coordinating their efforts with those of the local defense council.

(2) Completion of the metal working facilities survey now conducted by the Division of Commerce for the State Defense Council.

(3) Study of transportation problems.

(4) Completion of housing vacancy surveys.

(5) Establishment of close cooperation between the defense council and the local office of the State Employment Service.

(6) Cooperation with County Agricultural Defense Committees to meet possible farm labor shortages.

To expand training

(7) Initiation or expansion of vocational training programs, where necessary.

(8) Surveys of methods for protecting the civilian population in cooperation with State and Federal Civilian Defense agencies.

(9) Consultation with State Police Troop Captain with regard to existing police facilities.

(10) Steps toward fire defense.

(11) Cooperation with County Health Preparedness Committee on Community health problems.

Subcommittee for recreation

(12) Establishment of subcommittee on industrial and community recreation.

(13) Information for the community about details of the defense program.

(14) Exposure of unwarranted price and rent increases.

(15) Protection of civil liberties for minority groups.

(16) Use of initiative in finding problems within communities.

(17) Preparation of report on activities to date. Hereafter every local council is to send a report to the State Defense Council by the fifth of each month.

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Westchester county submits civilian defense plan

The Civil Defense Organization Plan of the Westchester County (New York) Defense Council has been received at the Office of Civilian Defense. The plan, prepared by Col. Frederick P. Devereux, mayor of Bronxville and chairman of the executive committee of the County Defense Council, has been presented to mayors and town supervisors within the county.

Auxiliary services, for which volunteers will be recruited in each community, are to be associated with the existing governmental organization. The local chief executive for civil defense is the mayor or town supervisor, with the county executive in command of the over-all county organization.

Included in the plan is an air-raid protection system with a central county headquarters and report centers in each city and village.

Red Cross given place on Civilian Protection Board

President Roosevelt last week signed the following Executive Order, No. 8822:

By virtue of the authority vested in me by the Constitution and statutes of the United States, Executive Order No. 8757 of May 20, 1941, establishing the office of Civilian Defense in the Office for Emergency Management of the Executive Office of the President, is hereby amended to include the American Red Cross among the organizations invited to designate a representative to serve as a member of the Board for Civilian Protection in the Office of Civilian Defense.

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Council issues defense and homes registration pamphlets

The Pennsylvania State Defense Council has added two bulletins to the series reported in **DEFENSE** May 13.

The bulletin on **THE COUNCIL OF DEFENSE AND THE RED CROSS IN PENNSYLVANIA** is to assist in coordinating the activities of local councils of defense and local Red Cross chapters in event of peacetime disaster or in war. The pamphlet explains also the division of responsibilities between the defense councils and the Red Cross.

Another bulletin, **HOMES REGISTRATION FOR DEFENSE WORKERS**, contains suggestions for the organization and operation of Homes Registration Offices.

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Pennsylvania's goal: 1,700,000 pounds of aluminum

To further the national aluminum drive scheduled to begin July 21, the Pennsylvania State Council of Defense issued a bulletin entitled **ALUMINUM CAMPAIGN NEWS**, summarizing the preparatory activities of local communities.

In Harrisburg, fire trucks will be used to pick up the aluminum. When it is time to set out their used pots and pans, housewives will be notified by fire truck sirens. Even before the opening of the campaign, aluminum started to pile up in the bin erected in front of the Courthouse at Carlisle. Amusement parks and theaters in many cities will give free admission to youngsters who bring aluminum on July 21. Pennsylvania's goal is 1,700,000 pounds of aluminum.



KEEP 'EM ROLLING! . . . This poster is being issued by the Division of Information, OEM, to defense plants. Others, on the same basic red-white-and-blue design, picture tanks, mosquito boats, and anti-aircraft guns. Size, 30 by 40 inches. Two-column mats are available to newspapers and other interested publications.

Blanket preferences granted to speed vital shipways

To speed production of merchant ships vitally needed for defense, the Priorities Division, OPM announced July 14 the issuance of blanket preference ratings to about twenty shipyards now engaged in building shipways.

The preference ratings are to be used only for material going into the shipways and for certain specified equipment to outfit the ways for production.

All the shipways governed by the blanket ratings are being built under contract with the United States Maritime Commission or under its direction.

A-1-a and A-1-b ratings

For shipways which will produce completed ships this year, an A-1-a preference rating is being assigned.

A rating of A-1-b will apply for shipways which will produce completed ships in the years 1942 and 1943.

It is stipulated in the order that the preference ratings will be used by shipyards to apply to deliveries of material needed for shipways only if this material is included on the Priorities Critical List or on a special list of materials attached to the order.

Order doesn't apply to machine tools

While the rating may be applied to material needed to outfit the shipways for production, and may also be applied to deliveries of portable or stock tools, it cannot be used to obtain machine tools, which must be acquired in the usual manner through the use of individual preference rating certificates.

The blanket ratings issued for shipways are similar to those previously issued to builders of merchant ships.

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DEFENSE



OFFICIAL WEEKLY BULLETIN OF THE OFFICE FOR EMERGENCY MANAGEMENT

OFFICE OF PRODUCTION MANAGEMENT, NATIONAL DEFENSE ADVISORY COMMISSION, DEFENSE HOUSING COORDINATOR, DEFENSE COMMUNICATIONS BOARD, COORDINATOR OF HEALTH AND WELFARE, SCIENTIFIC RESEARCH AND DEVELOPMENT, NATIONAL DEFENSE MEDIATION BOARD, DEFENSE AID REPORTS, COORDINATOR OF COMMERCIAL AND CULTURAL RELATIONS BETWEEN THE AMERICAN REPUBLICS, PRICE ADMINISTRATION AND CIVILIAN SUPPLY, CIVILIAN DEFENSE

WASHINGTON, D. C.

JULY 29, 1941

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Review of the Week in Defense

Two OEM agencies moved promptly last week to meet a threatened shortage in silk, due to unsettled conditions in the Far East.

Acting after President Roosevelt had frozen all Japanese credits in the United States, OPM Priorities Director E. R. Stettinius, Jr., issued an order freezing all stocks of raw silk and OPACS Administrator Leon Henderson asked the Commodity Exchange to suspend trading in silk futures and announced OPACS will impose a price ceiling on raw silk.

Plan to speed deliveries

Stettinius disclosed a plan for expediting deliveries of defense materials to important projects, another for facilitating production of civil aircraft for Civilian Pilot Training Schools and Home Guard units, and took steps to encourage the building and repair of locomotives, now seriously short of defense needs.

OPACS revealed that fair rent committees had been organized in 21 municipalities as part of a campaign to stabilize rents in defense areas.

Farm machines get high rating

Manufacturers of farm machinery and equipment were given the "highest civilian preference rating" by OPACS to insure an adequate supply of materials during August, September, and October. Bakers were warned by Administrator Henderson against any price increases in excess of one cent a loaf.

Ceiling prices were imposed on brass mill scrap, and makers of scientific apparatus, such as optical, precision, testing, and control instruments, and devices to aid hearing were given civilian preference in allocation of supplies.

New high for expenditures

A new high for authorized national defense expenditures of \$50,785,000,000 was tabulated by the OPM Bureau of Research and Statistics. U. S. appropriations, contract authorizations, and RFC defense loans totaled \$47,116,000,000 and British orders added \$3,669,000,000.

Cash disbursements from this fund

reached \$994,200,000 for June, an increase of 9.2 percent over May.

OPM power unit created

A special power unit, headed by J. A. Krug, on leave from TVA, was established by OPM to handle all defense power problems and assure power for projected aluminum plants. A program of expansion and "power pools" was worked out in conjunction with the Federal Power Commission and representatives of public and private power systems.

Director General William S. Knudsen at a press conference said that plans for a gradual reduction of automobile production, in lieu of an abrupt curtailment of 50 percent, were being discussed with the OPM industry advisory committee. The auto makers, he said, will be given increased defense orders where possible to utilize men and machines released by the reduction.

OPM recommended an increase of 6,508,950 tons in pig iron capacity as an essential step in increasing the output of steel for defense.

Raw silk stocks frozen to meet shortage threatened by Far Eastern conditions

Acting to meet a threatened shortage caused by unsettled conditions in the Far East, Priorities Director Stettinius July 26 issued an order freezing all stocks of raw silk and limiting the processing of thrown silk to levels set during the week ending July 26.

Issued after conferences between representatives of OPM and OPACS, the order forbids either the delivery or the acceptance of raw silk except by authorization of the Director of Priorities. It applies equally to warehouses and to mills; it does not, however, prevent deliveries from ship to importers.

Mills are forbidden to knit, weave or otherwise process thrown silk in excess of the totals they processed during the week just ended.

Notification of the action was sent to the principal silk handlers by wire.

To prevent possible dislocations of

The Material Coordinating Committee of U. S. and Canada made arrangements for expansion of Canadian nickel by 20 percent. Nickel is used as an alloy in steel to give it toughness and strength.

OPM Associate Director General Sidney Hillman announced OPM approval of a new stabilization agreement affecting 800,000 AFL building trades workers on defense projects. It covers War, Navy, and FWA construction.

A conference was held in Chicago by Eli Oliver, chief labor adviser of the OPM Labor Division, with railroad management and labor to consider how 400,000 maintenance workers might aid defense.

Official insignia for 15 types of volunteer workers were adopted at the first meeting of the Volunteer Participation Committee of the Office of Civilian Defense.

As reports were being tabulated on the Nation's collection of aluminum scrap, OCD estimated that more than 1,000,000 persons took part in the drive.

President Roosevelt approved 21 new localities in which building of defense homes for workers earning from \$1,800 to \$3,000 will be encouraged by 90 percent mortgage insurance.

labor, provision was made that any processor unduly handicapped by the order could file an immediate appeal for relief.

As of July 1, stocks of raw silk in public warehouses were estimated at 53,000 bales with another 35,000 bales in hands of mills. Mills have recently been using about 5,000 bales per week.

Silk supplies of this country come almost wholly from Japan and China.

In addition to its principal use in the manufacture of hosiery, silk has many uses in industry, such as in the insulation of wire and cable.

In warfare it is used for parachutes and waste silk is used for powder bags of large caliber guns.

There is no domestic production of silk although efforts have been made to develop a domestic industry.

However, there are a number of satisfactory substitutes for military uses.

DEFENSE

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OPM unit to handle all defense power problems; creates three vast regional pools

Establishment of a special power unit in the Office of Production Management, to handle all defense power problems, was announced July 21 by Director General William S. Knudsen and Associate Director General Sidney Hillman.

The new unit is headed by J. A. Krug, acting as OPM coordinator for defense power. He will have full responsibility in this field. Mr. Krug, on leave as manager of power for the Tennessee Valley Authority, has already been actively at work in OPM on power problems for nearly a month.

Million kilowatt demand solved

Commenting on this new unit, Messrs. Knudsen and Hillman said:

"With the establishment of the new set-up, OPM is now equipped to handle all defense power problems through a single clearing office. The program has been worked out in close collaboration with Chairman Leland Olds and the staff of the Federal Power Commission and with leading representatives of public power agencies and the private power systems.

"Through the new power unit solutions have already been found for the problems of power supply for many pressing defense needs including the 1,000,000 kilowatts required for the greatly enlarged programs for aluminum and magnesium, the most vital defense materials.

Plans for pooling regional resources

"Mr. Krug, in cooperation with the Federal Power Commission, has developed specific plans which are being carried into effect for pooling the power resources of three vast regions of the country. The Southern pool will include the 11 Southeastern States. The Northeastern pool embraces New York, Pennsylvania, New Jersey, and the New England States. In the Southwest a new network of transmission lines will permit a giant power pool in Arkansas, Oklahoma, Texas, Louisiana, Missouri, and Kansas. These arrangements make it possible to realize almost immediately the maximum utilization of the existing power installations of the country.

"In addition, an agreement has been worked out between the Aluminum Company of America and the Tennessee Valley Authority for the development by the TVA of the Fontana hydroelectric project in western North Carolina. The plans call for commencement of this project as soon as Congressional approval can be

obtained. This project alone will generate sufficient power to produce 150,000,000 pounds of aluminum annually. Arrangements have also been made for the installation of large amounts of additional generating capacity in the other major existing hydroelectric projects of the country. The Department of Interior is installing additional units in Grand Coulee, Bonneville, and Boulder Dams. OPM will establish the necessary priorities to hasten all of these installations. Arrangements are also under way in various sections of the country for installations of additional steam electric generating facilities.

All pledge cooperation

"Without exception the great power suppliers, including the Department of Interior, the Tennessee Valley Authority, various State and local power authorities and the private power systems, have pledged and given their wholehearted cooperation in the emergency program. The excellent results so far achieved have been primarily due to this united effort and to the foresight of the Federal Power Commission in having assembled, prior to the emergency, comprehensive information on the power supply situation throughout the country.

"The Office of Production Management has made a working arrangement with the Power Commission which will permit

full utilization of the expert staff and resources of that agency. The Commission is loaning several top-ranking members of its organization to work with Mr. Krug's office on a full-time basis thereby avoiding all possibility of duplication.

"In addition to representatives of the Department of Interior and the Tennessee Valley Authority, other leaders among operating power agencies who have been actively participating in the program include L. F. Scattergood, general manager of the Los Angeles Bureau of Power and Light, Harry Slattery of the Rural Electrification Administration, Philip Sporn of the American Gas and Electric System, J. Moore of the Electric Bond and Share System, E. W. Morehouse of the Associated Gas and Electric Trustees, K. M. Irwin and Constantine Bary of the Philadelphia Electric Company.

"With the new set-up, the expanding defense needs for power will be under constant scrutiny and prompt and specific recommendations will be made to insure additional adequate steam and hydro power installations in both the public and private systems throughout the country."

Mr. Knudsen and Mr. Hillman also announced that all priority questions relating to the power industry will be handled on the basis of recommendations by Mr. Krug to E. R. Stettinius, Jr., Director of Priorities.

* * *

HOW IT WORKS: Mr. Krug discusses questions of expansion, priorities, pools and rationing of power.—Page 10.

50 billions authorized for defense spending in U.S.

A new high figure of \$50,785,000,000 for national defense was scored up July 26 by the Bureau of Research and Statistics, OPM. This was revealed in an analysis of recent appropriations and contract authorizations for defense purposes.

The total of United States Government appropriations and contract authorizations, plus funds made available to the Reconstruction Finance Corporation for defense, came to \$47,116,000,000 and British orders as of June 15, 1941, totaled \$3,669,000,000.

The break-down for United States and British commitments in this country shows that \$11,957,000,000 has been allotted for airplanes; \$3,483,000,000 for naval vessels, merchant ships and transportation equipment; \$8,081,000,000 for guns and ammunition; \$5,530,000,000 for industrial facilities.

A-10 rating speeds civil planes for training and patrol

Priorities Director Stettinius announced July 22 a new priority plan designed to facilitate the production of civil aircraft for Civilian Pilot Training Schools, for Home Guard units, for pipeline patrol and for other specified purposes.

A preference rating of A-10 will be assigned to 27 producers of aircraft and aircraft items. The rating may be used to speed delivery of material going into repair parts and accessories of such planes as well as material going into new planes to be used for the purposes listed.

The A-10 preference rating is assigned to the producers under the terms of the Defense Supplies Rating Plan, and producers using the rating will operate in accordance with the provisions of that plan.

PRODUCTION . . .

Big bomber program behind, says Knudsen; places authority to reduce autos in OPM

After an extensive tour of airplane factories and other defense plants, Director General Knudsen, OPM, told the press July 23 that:

"I think our trainer planes are coming all right. Such pursuit planes as there are are coming all right. Flying boats are getting a fair schedule. We are still not up to snuff on the big bombers."

Mr. Knudsen also said at his press conference that the decision on a reduction in automobile output rests with the head of OPM's automobile section.

Excerpts follow:

Q. Did you have a nice trip, sir?

A. A good one, yes.

Q. How do things look?

Feeling is building up

A. I saw some 58 plants. They were divided between a few ordnance plants, and all the airplane plants and shipyards. Here is what I find. The feeling toward the defense program is gradually building up. There is a sympathy and enthusiasm toward the program. You understand that it was slower building up from the Middle West than it was here in the East, but I find a general sympathetic interest in the defense program, and as far as the manufacturers themselves are concerned, they are all willing. On airplanes I think our trainer planes are coming all right. Such pursuit planes as there are are coming all right. Flying boats are getting a fair schedule. We are still not up to snuff on the big bombers. We have to do a lot of work to get the sub-assembly plants going around Detroit and get the assembly plants going. A lot of plant expansion has taken place out there on the coast, and with the exception of Douglas at Long Beach, and to some extent Consolidated, it is practically all finished. We have got plenty of men. Of course, a lot of them are students, you understand. Some plants are short of skilled mechanics. There was not, at the moment, any equipment shortage except for future production schedules. There was no plant shut-down on account of lack of material, and I felt quite hopeful except for some big jobs. We have to do a lot of work on that.

Q. You read while you were away about

this suggestion of the OPACS administrator?

A. Yes.

Q. What do you think of it?

A. Well, I think we will have to go about it in a sort of cooperative way with the industry and find out how we can make this shift practical, you know; take off the automobiles and go forward on the defense job.

Q. After going forward on the defense job or making the cut in automobiles unless—

A. The funny part of it is the automobiles are not dependent on the—the automobiles are dependent on the amount of critical materials we can spare for them, such as alloyed steel and things like that. If we can't find any substitute for it, we are going to be out of luck.

Q. If you didn't put it in a blanket order, they might be able to find substitutes?

A. We are going to give them a free play for their ingenuities to see how much they can do without interfering with the defense program. Don't forget that the defense program comes first in every instance, as far as I am concerned.

"A chance to use their heads"

Q. But after having taken care of the defense program, you are giving them a free play for their ingenuity instead of putting a ceiling on it?

A. I don't think I can stop them. You have got to give them a chance to use their heads.

Q. Do you infer by that that they will not be asked to cut 50 percent?

A. I think the cut will be discussed and negotiated. You see, if you cut 50 percent off tomorrow, you are going to have a lot of people walking the streets.

Q. What does Mr. Henderson's order mean then?

A. I don't know what it means. I haven't seen Mr. Henderson since I came back, but I suppose he had some darn good reason for it. I don't know, but I am sure that when the industry comes down here, it will be talked over, and it will be planned in the best possible ways.

Q. When is that going to be done, Mr. Knudsen? We understand they were having a meeting today, the passenger car subcommittee.

A. I think it is today or tomorrow.

Q. Aren't you going to meet with them?

A. Oh, yes, I will be there. I met with the parts fellows yesterday.

Why it is hard to use auto factories for defense

Q. What does it look like now that the automobile industry will be asked to do in the way of the defense load? How much defense work are they going to be asked to do?

A. Oh, anything we can get in there quick, you see, that they can get tools for. You understand, a defense job—it is very difficult to find a defense job that will fit the equipment they have got. You might use a portion of it, and, of course, the portion that we procure for them before they can start producing. That, of course, is the bottleneck on that portion of the job.

Q. Mr. Knudsen, the final decision then on the question of the automobile curtailment will be made at this meeting and not as a result of Mr. Henderson's order?

Where the decision rests

A. The automobile section is running like this; that the industry makes recommendations, but the head of the section representing the Government has to make the decision, the head of the section. We will naturally consult with OPACS. There isn't any reason why we shouldn't because the quantity it will be allowed to make will have a great effect on the price. You know that as well as I. You know what the break-even point is in the factory and how quantity affects the selling price.

Q. In this case it would be Mr. Adams?

A. Mr. Adams is the head of the automobile section. We will consult with OPACS. There isn't any reason why we shouldn't.

Q. He is the man that will make the decision on how much the cut will be?

A. After consultation with the industry, and after careful analysis of the result.

Q. Is there any conflict between OPM and OPACS on various problems, such as whether or not OPACS in its civilian authority may step in, and although you only need 40 percent for defense—

A. There is a little dispute regarding the wording, but I think it will be thrashed out in a few days.

Q. Is their Executive order before the President now?

A. They have one and we have one.

Q. Have you got them together yet?

A. I think we will straighten it out in a few days.

Q. Mr. Knudsen, going back to your report on your trip, what was it you said about the big bombers, that you were disappointed in the showing that had been made?

Bomber assemblies behind schedule

A. No, I said we haven't gotten up speed on the big bombers yet because they were big planes, you know, and they were more or less in the experimental stage when we got them, and there is a good deal of lay-out work trying to get them cut in sections so as to get the minor assemblies out for them, and that is the job that is behind:

Q. It is behind schedule?

A. Yes.

Q. How much effect is the bomber program having on the other ships which are already scheduled for production? That is, are they having to cut down in other places in order to accommodate the bomber program?

A. So far we haven't done it. The question that came up was the question of machine tools for regular planes, and I think we can work that out. I think we will have plane tools before we get the other bombers because they were ordered a good deal ahead of time.

Q. The over-all airplane picture, bombers, pursuit planes and so forth, how is it running with your schedule?

A. Fairly good.

Admiral Towers' worries

Q. Mr. Knudsen, yesterday Admiral Towers, speaking on that very point, said that as a result of the concentration on heavy bombers, the Navy deliveries on its own scheduled planes were falling 20 percent behind.

A. He was talking about machine tools. He was talking about tools.

Q. Well, he was talking chiefly about results, about the planes that had been scheduled for Navy delivery.

A. Well, I saw his testimony in the morning paper, and I haven't had a chance to talk with Towers, but when I talked with him before we went away we were over in the section office, and, of course, the bombers had a higher rating, and he thought that his planes were being interfered with, and I told him I didn't think so because he doesn't use the same kind of planes, you see. His planes are small planes, but on the tools, we will try to fix them up so they will be taken care of.

Q. He apparently didn't feel that way yesterday.

A. I saw it, and we might have to have another talk with him to see whether he is really upset about it, but I thought we could adjust it. I thought that his tools were so far ahead of the bombers, the bomber tools, that he wouldn't be interfered with a terrible lot except in a single instance where a tread mill or something like that would go haywire on him, but I think we can adjust it. Now, see, here is the schedule. You mustn't take any figures down. Here is the schedule here, and here is the trend, see. Some months we have been up pretty well, and then we dropped down a little bit, and now we are a little bit below the trend in the last 2 months, that is on planes. Here is motors. It is a little better on motors, and here is guns. The guns, we have been pretty well on the line there, but this month we have got to have a hop-up, because we go up to this line.

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OPM urges 6,508,950-ton increase in pig iron capacity

An increase in pig iron capacity of 6,508,950 tons was recommended by OPM July 23 as an essential step in maintaining and increasing the production capacity of the steel industry.

Government financing of this step will be required "and is so recommended by us for the best consideration of the Defense Plant Corporation," the OPM said in a letter transmitting the proposal to Jesse Jones, the Federal Loan Administrator.

William S. Knudsen, Director General of OPM, wrote Mr. Jones that an initial expansion of pig iron capacity was urgently required.

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Weinberg names Bartlett and Watson to staff

Sidney J. Weinberg, chief of the bureau of clearance of defense industry advisory committees, OPM, announced July 22, that he had appointed N. T. Bartlett as executive assistant and Kenneth M. Watson as administrative assistant consultant. The services of Mr. Bartlett have been loaned by the Department of Commerce, where he was secretary of the business advisory council, and the services of Mr. Watson have been loaned by the Federal Trade Commission, with which he was associated as an attorney.

Parts makers told of opportunity in 60-billion-dollar program

Manufacturers of automobile parts and components received assurance from the Office of Production Management July 23 that they would have an opportunity in the immediate future to obtain a greatly increased volume of defense work.

This assurance was given some 120 members of the industry who met to nominate eight members of the Automotive Defense Industry Advisory Committee. Approval of the nominees by the OPM and other interested Government agencies will complete this committee. Eleven members nominated by passenger-car and truck manufacturers have already been appointed and announced.

OPM Director General Knudsen and Associate Director General Hillman addressed the parts and components manufacturers.

It was stated that the defense program has grown since last March from around \$30,000,000,000 to nearly \$60,000,000,000 now authorized or pending in Congress.

The statement that the defense program, authorized or pending, now approximates \$60,000,000,000 was based upon these figures: On July 15 the authorized United States program, including lend-lease appropriations, amounted to \$47,116,000,000, and British orders in this country to \$3,669,000,000. Additional defense appropriations now pending amount to about \$8,200,000,000.

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Canadian nickel output to be expanded to aid U. S. imports

Arrangements have been completed to expand Canadian nickel production so that United States imports of this vital defense material from Canada can be increased 20 percent, it was announced July 25, following a meeting of the Material Coordinating Committee of the two countries.

It was reported at the meeting that 10 Canadian ships had been made available recently to transport iron ore on the Great Lakes and that additional Canadian ships would be put into this service.

The Committee was advised also that Canada would require an increased amount of steel from this country for shipbuilding.

Possibility of the United States obtaining increased amounts of zinc, lead, and chlorine from Canada was discussed.

LABOR . . .

Stabilization pact between building unions and U. S. agencies is approved by OPM

Sidney Hillman, Associate Director General, OPM, announced July 24 that the OPM had fully approved the new stabilization agreement between the AFL building and construction trades and the various Government agencies, including the Army, Navy, and Federal Works Administration, which are concerned with defense construction projects of various kinds.

The terms of the memorandum of agreement which will directly affect more than 800,000 building trades workers follow:

Uniform overtime rates

Where a single shift is worked, 8 hours of continuous employment, except for lunch periods, shall constitute a day's work beginning on Monday and through Friday of each week. Where work is required in excess of 8 hours on any one day or during the interval from 5 p. m. Friday to 7 a. m. Monday, or on holidays, such work shall be paid for at 1½ times the basic rate of wages.

Uniform shifts

Where two or more shifts are worked, 5 days of 7½-hour shifts from Sunday midnight to Friday midnight, shall constitute a regular week's work. The pay for a full shift period shall be a sum equivalent to eight times the basic hourly rate and for a period less than the full shift shall be the corresponding proportional amount which the time worked bears to the time allocated to the full-shift period. Any time worked from Friday midnight to Sunday midnight or in excess of regular shift hours shall be paid for at 1½ times the basic rate of wages. Wherever found to be practicable, shifts should be rotated.

No stoppage of work

The Building and Construction Trades Department of the American Federation of Labor agrees that there shall be no stoppage of work on account of jurisdictional disputes, or for any other cause. All grievances and disputes shall be settled by conciliation and arbitration.

Subcontractors

It shall be the policy of all Federal contracting agencies to require the utilization of specialty subcontractors on those

parts of the work which, under normal contracting practices, are performed by specialty subcontractors subject, however, to the following:

(a) When a general contractor can demonstrate that specialty work has been customarily performed by his own organization and that his existing organization is competent to perform the work, he may be permitted to do so.

(b) Where the performance of specialty work by specialty subcontractors will result in materially increased costs or inordinate delays, the requirement hereinbefore mentioned may be waived.

On negotiated contracts, the decision as to which parts of the work will be performed by subcontract will, insofar as may be practicable, be made at the time the contract is negotiated.

Predetermination of Wages

In predetermining the minimum wage which is to be paid to contractor's employees on the specific construction job, consideration shall be given to the rates prevailing in the area from which labor must be drawn to man the job and to new wage rates which have been negotiated and concluded through bona fide collective bargaining processes which will take effect at a future date.

Wage rates paid at the start of work on a project shall continue until the completion of the project, or not more than 1 year, and new agreements or new determinations of wages for work in the same area will become effective only on new jobs started or new contracts signed after the employer-employee agreement has been negotiated.

Application of Agreement

Any contract work done for or through any Federal agency for defense purposes within the continental limits of the United States and the Panama Canal Zone shall be governed by this labor policy.

It is understood that the provisions of this agreement shall apply only to national defense projects.

Apprentices

It is agreed that the number of apprentices used shall be limited to the number agreed upon between the respective unions and contractors and ap-

proved by the Department of Labor in the case of those unions and employers' associations that have established apprenticeship standards in conjunction with the Department of Labor and the number of apprentices in other cases shall conform to the usual practice prevailing between the unions and the employers' associations of the respective trades.

Board of Review

There shall be constituted a Board consisting of a representative of the Government agencies, a representative of the Building and Construction Trades Department of the A. F. of L. and a representative of the OPM. It shall be the function of this Board to interpret the provisions of this agreement, to adjust disputes arising hereunder, and the findings of the Board shall be binding on the parties to the agreement. In case of a dispute involving a specific Governmental agency, that agency may designate a representative as a temporary member of the Board for the mediation of that dispute. The Board shall have no authority to encroach upon or to relieve any Governmental agency of its legal authorities and/or responsibilities.

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Conferees discuss transfer of rail workers to defense

Eli L. Oliver, chief labor adviser on the staff of the Labor Division, met with a special committee of railroad presidents and railroad labor executives in Chicago on July 22 to consider the possible transfer, by voluntary methods, of a considerable number of railroad maintenance workers to defense industries.

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Union leaders, OPM discuss effective use of labor supply

Effective utilization of America's labor supply was the subject of a conference held July 25 by the Labor Supply Branch of the OPM's Labor Division with 48 labor leaders from all over the country in attendance.

MEDIATION BOARD . . .

Issues settled in one dispute, recommendations made in five

The National Defense Mediation Board last week (July 21-27) obtained an agreement settling the issues in one case and made recommendations in five others. In a seventh case, it obtained an agreement on a formula for settling the issues in dispute.

The full Board at a regular meeting July 24, after five hours of discussion of the Federal Shipbuilding case, remanded the case to the panel originally assigned to hear it.

Western Cartridge Co.

The Board on July 24 made public its findings and recommendations in the dispute between the Western Cartridge Company and the East Alton Manufacturing Co. of East Alton, Ill. and the Chemical Workers Union—AFL. In brief the recommendations were as follows:

1. *Individual contracts.*—Approximately 5,100 employees of Western Cartridge have executed individual contracts which provide in the main for a 6 percent bonus at the end of the year on condition that the employee does not go on strike during that time. In its recommendations the Board states:

"Regardless of whether the individual contracts are or are not valid under the National Labor Relations Act, the panel regards these contracts in their present form as being inconsistent with a sound collective bargaining relationship."

It therefore recommended their cancellation and repayment to each employee in the unit represented by this union the amount he had personally paid in under his contract.

2. *Type of Shop.*—The union requested a union shop in which every present employee must be and remain a member of the union in good standing as a condition of employment and every new employee after 30 days must become and remain a member of the union in good standing as a condition of employment.

The Board recommended the following:

"The company agrees that any present employee who on June 24, 1941 (the date this case was certified), was a member of the Union or who has become a member of the Union since June 24, 1941, shall as a condition of continued employment maintain membership in good standing; and any employee who hereafter, during the life of this agreement, becomes a member or is reinstated as a member of the Union shall as a condition of continued employment maintain membership in good standing."

"In making this recommendation," the recommendations state, "the panel notes that it in no way impinges upon the freedom of any individual who has not chosen to join the Union. It does not exercise the type of compulsion specifically adverted to in the Companies' brief. It does not restrict the employer in the choice of his employees—a restriction to which . . . the employer expressed particular opposition. It goes only so far as to preserve the Union in the status it has already achieved and may achieve through voluntary adherence of employees. It protects the Union in its capacity to fulfil its contract, and makes certain that those who authorized the Union to act for them will aid their agent in performing its obligations."

3. *Wages.*—On July 13, while hearings were in progress in Washington, the Western Cartridge Co. granted a wage increase averaging 5 percent to all its employees other than those represented by the Chemical Workers Union. The Board recommended that all the employees represented by this union be granted the same wage increase as of July 13. The Board felt that it had insufficient evidence for an intelligent judgment regarding further increases. It therefore recommended that the matter be arbitrated, the company to pick one arbitrator, the union a second and the third to be named by those two. If the three arbitrators are not named by August 1 the Board will then name a single arbitrator. Any wage increases shall be retroactive to the date the hearings in this case closed (July 15, 1941).

4. *Vacations.*—The Board recommended that, since this question is so closely allied to the question of wages, it be arbitrated in the same manner.

5. *Jobs in the Smokeless Powder Division not transferred to East Alton Manufacturing Co.*—The Western Cartridge Co. has set up a wholly owned subsidiary, the East Alton Manufacturing Co., to which it plans to transfer the jobs performed by the hourly paid production employees of the Smokeless Powder Division, except magazine storekeepers and probably junior physicists and junior chemists. The Board recommended that if these employees were not transferred to the East Alton Manufacturing Co., the Western Cartridge Co. should bargain collectively respecting them with the Chemical Workers Union.

6. *Seniority.*—The Board recommended that both parties accept the seniority clause negotiated on July 15.

Both parties were given until July 28

to accept or reject these recommendations. Acceptance by the union was received by the Board July 27. Members of the panel, in addition to Mr. Lapham, were Charles E. Wyzanski, Jr., representing the public, and Edward J. Brown, representing labor.

Federal Shipbuilding and Drydock Co.

After 5 days of hearings on the dispute between the Federal Shipbuilding & Drydock Co., Kearny, N. J., and the Industrial Union of Marine and Shipbuilding Workers of America—CIO, agreement was reached July 14 on all issues except that of union security. The entire production of the company's 16,000 employees is devoted to the building of ships for the Navy and Maritime Commission.

At a full meeting attended by 22 members and alternates of the Board on July 24, the union security issue in this case was discussed for five hours. The question had been brought to the full Board by the panel. At the end of this discussion the case was remanded to the panel originally assigned to hear the case. Upon further consideration, a majority of the panel on Saturday, July 26, made the following recommendation:

"In view of the joint responsibilities of the parties to the National Defense, of their mutual obligations to maintain production during the present emergency and of their reciprocal guaranties that there shall be no strikes or lockouts for a period of two years from June 23, 1941, as set out in the 'Atlantic Coast Zone Standards', incorporated herein and made a part hereof, the Company engages on its part that any employee who is now a member of the Union, or who hereafter voluntarily becomes a member during the life of this agreement, shall, as a condition of continued employment, maintain membership in the Union in good standing."

On July 24, the Board made recommendations in the dispute between the Marlin-Rockwell Corporation and the United Automobile Workers of America—CIO. In doing so it accepted as its own the findings and recommendations of Professor Harry C. Schulman of the Yale University Law School who had been appointed a special representative to investigate the matters in dispute. These recommendations provided mainly for an additional increase of 5 cents an hour for female employees retroactive to June 9 and for a vacation bonus for all employees in the service of the company six months or more. It recommended that all matters in dispute between the parties not covered by the recommendations be the subject of direct negotiations. It gave the parties until July 31 to accept or reject these recommendations.

PRIORITIES . . .

Cutting tool order modified to assure defense deliveries

Priorities Director Stettinius July 25 announced several changes in the general preference order which directs the use and distribution of cutting tools. The original order was issued July 17th.

The major changes are:

(1) Cemented carbide tools are included within the definition of cutting tools and copies of the amended order have been addressed to cemented carbide tool manufacturers.

(2) No manufacturer or distributor may accept an order for or make delivery of cutting tools unless this delivery bears a preference rating of A-10 or higher, except upon the specific direction of the Director of Priorities. The original order permitted deliveries of nondefense orders if defense orders on hand had been completed.

(3) The new order clarifies the special provisions which relate to manufacturing processes carried on during a 6 weeks' period dating from July 17, 1941. Section (h) of the new order says:

Any other provision of this order to the

contrary notwithstanding, for a period of six weeks, commencing July 17, 1941, work on orders or contracts which are in actual production on July 17, 1941, may be continued by a manufacturer in accordance with existing production schedules, and deliveries of such cutting tools, as defined herein, as have been completed either prior to or during said 6 weeks period, may be made during said period by a manufacturer or distributor to fill orders or contracts on hand on, or prior to, July 17, 1941, without regard, in either event, to preference ratings assigned to, or delivery dates specified in, any orders or contracts during said period. Provided, however, that nothing in this paragraph shall apply to work on, or deliveries under, orders or contracts which, at any time, have been, or are, assigned an AA preference rating.

The cutting tools order was issued because of a shortage of these tools vitally needed for defense work. It provided that, in general, defense orders are assigned a preference rating of A-10 unless higher preferences have been specifically awarded.

The general purpose of the order is to make sure that defense needs for cutting tools are filled ahead of nondefense needs.

Blanket preferences applied to locomotive building, repair

To alleviate problems caused by a serious shortage of locomotives, the Priorities Division issued July 21 two blanket preference rating orders which will facilitate both the construction of locomotives and their repair.

A preference rating of A-3 will be granted to an initial list of ten locomotive builders and also to about 60 repair plants.

The two orders are similar in form to the blanket preference rating already granted to freight-car builders. One of the new orders grants a rating for delivery of material entering into the repair and rebuilding of steam, electric or Diesel locomotives, whether for railroad, mining or industrial use. The other order grants a rating for delivery of materials entering into the construction of specified locomotives now scheduled by the builders.

Each producer or supplier granted the use of the new rating, may apply it to deliveries of material entering into construction or repairs by executing a copy

of the appropriate order and serving it on his suppliers.

After the rating has been applied the first time, additional orders may be covered merely by citation of the rating granted originally.

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Courses to be held for priorities specialists

Priorities Director Stettinius announced July 24 that the Priorities Division will hold a series of training courses during the next several months for business and industrial priorities specialists.

These meetings will be open to officials appointed by their companies or trade groups. A number of plants recently have appointed members of their staffs to specialize on priorities problems.

More than 100 priorities specialists from the steel industry attended the first training clinic on July 18, heard members of the Priorities Division staff explain procedure, and took part in round table discussions on problems which have arisen in their field.

Steel industry committee holds first meeting

Formation of an enlarged steel defense industry advisory committee of fifteen was announced July 22 by the Bureau of Clearance of Defense Industry Advisory Committees, OPM.

First meeting of the committee was held in the Board Room of OPM, July 23.

Members of the committee are: W. F. Detweller, chairman, Allegheny Ludlum Steel Corporation, Pittsburgh; B. F. Fairless, president, U. S. Steel Corporation, New York; Frank R. Frost, president, Superior Steel Corporation, Pittsburgh; T. M. Girdler, chairman, Republic Steel Corporation, Cleveland; E. G. Grace, president, Bethlehem Steel Co., Bethlehem, Pa.; Edward L. Parker, president, Columbia Steel & Shafting Co., Pittsburgh; Henry A. Roemer, president, Pittsburgh Steel Co., Pittsburgh; Frank Purnell, president, Youngstown Sheet & Tube Co., Youngstown, Ohio; E. L. Ryerson, Jr., chairman, Inland Steel Co., Chicago; Hayward Niedringhaus, president, Granite City Steel Co., Granite City, Ill.; Ernest T. Weir, president, National Steel Corporation, Pittsburgh; Charles R. Hook, president, The American Rolling Mill Co., Middletown, Ohio; Robert W. Wolcott, president, Lukens Steel Co., Coatesville, Pa.; Elton Hoyt, senior partner in Pickands, Mather & Co., Cleveland; W. S. Tower, president, American Iron & Steel Institute, New York City.

The steel industry defense advisory committee was established by OPM to advise and consult with A. D. Whiteside of the Division of Production, who has been designated Government presiding officer of the committee.

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Copper regulations clarified

Priorities Director Stettinius announced July 21 that General Metals Order No. 1 has been amended to exempt from its provisions copper-base alloys in which the percentage of copper, by weight, equals or exceeds the percentage of all other metals.

The amendment was made necessary because inventory control of such copper-base alloys is already provided for in the order providing industry-wide control on copper, copper products, and copper-base alloys.

AGRICULTURE . . .

(Information furnished through Office of Agricultural Defense Relations,
U. S. Department of Agriculture)

Food a strong weapon, Townsend tells farmers; warns priorities will pinch

In two addresses, Director M. Clifford Townsend of the Office of Agricultural Defense Relations, last week outlined agriculture's place in the defense picture and warned the Nation's farmers that they face all of the disturbances to be found in a "wartime" economy.

Before the Mid-West Training School, American Farm Bureau Federation, University of Illinois, on July 21, Director Townsend called for all-out production of the food products needed by Great Britain. Two days later, before the International Baby Chick Association, meeting in Kansas City, Mo., he urged preparation against the pinch of priorities.

"Food is a defense weapon"

Excerpts from the Training School talk: "The food-for-defense program is a part—one of the most important parts—of our all-out defense effort. Food is a defense weapon, one of the strongest we have. Without food Britain and the other nations resisting aggression cannot continue to stand between the United States and the Hitler menace.

"This is not an age where a continent can be isolated from war. War is not fought by guns alone but by political and economic infiltration, by sudden, lightning movements that strike without warning, by attacks upon the nerves of a nation.

"You and I, as farmers, know what it means to be protected against sudden dangers. If a great grass fire is raging all around our farm, we don't sit back on our porch chairs and scoff at the danger. We dig ditches. We draw our water in buckets. We organize our folks to stand guard.

"The fire is raging around us today, and you and I here in the Middle West are just as deeply concerned in the outcome as the British farmer who is trying to till his soil between raids."

Before the International Baby Chick Association, Director Townsend declared that in order to produce the food needed for this country and Great Britain "agriculture must have the equipment, implements and services to carry out its work."

Receive cooperation on priorities

Other excerpts: "One of the most important jobs of the Office of Agricultural

Defense Relations has been to present agriculture's case before the defense officials who are responsible for granting priorities for metals, chemicals, and other strategic materials. We soon discovered that this was largely a matter of understanding, and as soon as the priorities officials understood why agriculture needed certain things, we received the fullest sympathy and cooperation.

"This sympathetic attitude does not mean that we can expect to get for agriculture everything we want or need.

Priorities and rationing, which may be expected to increase greatly as our defense program develops, are already affecting poultry equipment, milking equipment, fencing, steel grain bins, tractors and some farm machinery.

Must face shortages

"Nitrates, the basis for explosives as well as for fertilizers, may be affected soon. Other chemicals and drugs for insecticides, fungicides, and disinfectants are likely to be short. The shortage of farm labor, the increased cost of things farmers buy, and all of the other things that make up a wartime economy must be faced by farmers planning for the future."

Bigger output of soy protein sought to replace casein reduced by food demand

Because of defense needs for adhesives the Department of Agriculture is exploring the possibility of increasing commercial production of soybean protein by utilization of a process developed by Department chemists. The objective is to obtain sufficient supplies of soybean protein to make up for growing shortages of casein, an adhesive necessary to defense industries and housing.

Department chemists state that the adhesive qualities of the soybean protein are fully equivalent to casein. The chemists began working on the problem of extracting the protein from soybeans in a commercially practicable fashion more than 4 years ago in the Soybean Research Laboratory of the United States Department of Agriculture at Urbana, Ill.

Food demand reduces casein supply

Because casein is a milk derivative its production is limited and is becoming progressively more limited by the increased demand for milk in edible form under the food-for-defense program and the Lend-Lease Act. For this reason the Office of Agricultural Defense Relations has made arrangements for the Soybean Research Laboratory to study the possibilities of increased production of soybean protein.

It is estimated that 10,000 tons of soybean protein will be required annually on the basis of present needs to make up for casein shortages. This is three to

four times the amount now being produced.

Soybean protein can be substituted for casein as an adhesive with only small differences in the final results. The paper-coating industry furnishes an outlet for about three-quarters of the casein consumed. Large quantities are also used in the manufacture of plywoods, plastics, water paints, paper sizing, leather finishes, and insecticide sprays.

Soy protein superior in some respects

Soybean protein is considered an equivalent to casein in all of these uses. On the other hand, it has been discovered by the Department that soybean protein possesses some properties superior to those of casein.

Only one plant is now producing a refined soybean protein. This plant has made use of processes developed by the soybean laboratory. Two other companies have plans for building factories under serious consideration. One already has built a pilot plant.

In addition to its qualities as an equivalent for casein, new uses have been developed for soybean protein which are not in competition with casein. Furthermore, it is expected that other new uses will be developed for proteins like casein and soybean, thus increasing the total tonnage consumed by industry. In this way it is expected that when the present defense emergency is over there will be room for both casein and increased supplies of soybean protein.

Power coordinator discusses steps to meet defense need, and their effects on public

In his July 21 press conference, J. A. Krug, who heads the new power unit of OPM, outlined the methods by which enough electricity will be obtained for defense, and answered questions about the effects of the program on the public. He summarized the problems and measures to meet them in a statement, which follows in part:

The problem of providing an adequate power supply for defense has two principal aspects. First, we must, of course, make certain that generating capacity is installed to meet the phenomenal expansion of defense plants. But time is short. Second, and much more immediate and perhaps more important, we must make sure that the production of national defense materials from existing plants is not limited because of a lack of electric power.

More needed at once

More power is needed, and needed at once. It takes much longer to build an electric generating station than almost any of the industrial plants needed in the defense program. Power supply must be found for defense plants as soon as they are completed. Aluminum and magnesium plants, so vital in the nation's defense effort, can be constructed in from 6 to 12 months. The installation of economical generating facilities, whether steam or hydro, requires a much longer period—18 to 30 months with the present schedule of deliveries. Interim requirements for defense power can be met only by power pooling and the maximum use of reserves, supplemented in some areas by curtailment of nonessential uses. The construction of interconnecting transmission lines must be accelerated to permit transfer and use of temporary local surpluses and to facilitate operation with the minimum of generating station reserves. The day of emergency is here.

Under the new form of organization in the Office of Production Management, electric utilities, whether privately or publicly owned, will be able to obtain full consideration of their equipment priority problems from a single division and obtain a decision which is final and comprehensive.

Everything will be done (a) to make available coordinated projections of defense loads by areas; (b) to develop specific plans for an adequate power supply to meet both defense and civilian power requirements; and (c) to develop a

practical plan for power priorities, both as to equipment and as to available power supply, so that the demands of the emergency may be met without delays and without unreasonable dislocation of nondefense activities.

How a pool works

The power program was discussed further at the press conference. The opening remarks in the following excerpts refer to the operation of power pools:

A. Let me give you an example. There is already one of these in practical effect in the Southeast. The Aluminum Co. has the largest plant in the country at Alcoa, Tenn. They don't have enough power to operate that plant continuously, so in normal times they just close it down, when there isn't sufficient stream flow. The War Department has been insistent that they operate all the time, at 100 percent capacity. The TVA and the company have reached an agreement to assemble that power from wherever it must be obtained to permit that, so that the dozen or so transmission line interconnections between TVA and other companies are called upon to get parts of that power in. The way it is worked out is that, say, somebody calls up from Chattanooga to Little Rock, Ark., and says, "How much power can you send in the next week for the account of the Aluminum Co.," and they say "So many kilowatts, at such and such a price," and they say, "Okay, schedule it in this way," and they do that with each of the other companies, so that a certain given number of kilowatts can be delivered over that interconnected network.

Authority to order connections

Q. Where it is necessary to build new connecting links, will that be done by the Government?

A. No; for the most part those lines will be built by the utilities. Some of them are privately owned utilities and some of them are publicly owned.

Q. So far, in the Southeast, you have said that the interconnections have been voluntary. Does the FPC order—in itself, is that a form of teeth? In others, if some company does not want to do it voluntarily, it does have to?

A. Yes; indeed it does. Under the FPC, they have full authority to order it, and also to fix the compensation in connection with each company.

Q. Who would administer a power pool?

A. Under the schemes we have in mind now, it is not necessary that anyone administer the entire pool. Utilities desiring power can effect the desired result by voluntary arrangements with the other systems in the pool, but if you got into a conflict where, let's assume that the Aluminum Co. needed more power at Alcoa than the systems that are interconnected would be willing to transfer to Alcoa, then somebody would have to order the systems to transfer into Alcoa the power that was needed, and the FPC has the authority to do it under its Act, and I think the OPM has the authority to do that under some of the general defense acts.

Power priorities depend on Nature

Q. Your statement says here, "The OPM hopes to develop a practical plan for power priorities." Do you think that power priorities will be needed in the next year or two?

A. Well, it is very difficult to give a point-blank answer to that because it depends in considerable part on how kind Mother Nature is. If we get sufficient rainfall throughout the country so that hydroelectric projects, instead of being limited to their primary power level, have surpluses, it probably will not be necessary. On the other hand, if we experience another period of drought such as the past 6 months, I think it is extremely probable that priorities on the use of power will be necessary.

Q. Mr. Krug, did I understand you to mean—coming back to power priorities—that we won't have them for a while? You don't intend to ration power any further than it has been done in order to create a reserve?

A. You are going to have rationing of power just as soon as you have a reduction of primary power levels on all of the hydro systems of the country, because right now those systems are carrying a lot of defense load that heretofore has been content with part-time hydro power. For example, aluminum production, just in the nature of things, has always used large amounts of secondary power. They build up a stock pile and they have power, and they draw on the stock pile, and they don't have the power, but now when the need is here for all of the aluminum production power capacity we have all the time, you must find continuous power, and that means that when the secondary power disappears it must take the primary power from some other use, and that was done

recently in the southeast for several months, although now, very generous rains in July have temporarily relieved it.

A-1-b rating for materials

Q. Is there any problem in getting the necessary material? I am thinking of copper particularly.

A. Yes; copper is extremely short, and we have been trying to plan these lines, keeping in mind the necessity of using minimum quantities of copper, and for that reason some lines that probably would be desirable have been excluded, hoping that we can get by at least for the present with the minimum setup.

Q. Is it fair to assume that any interconnection line built in response to this pooling arrangement by FPC order will be given a priority there?

A. Yes, all of the interconnections that the FPC ordered in the southeast were given by OPM an "A-1-b" rating, which is an extremely high priority for a utility.

Q. New generating plants may come into that?

A. Yes.

Jurisdiction

Q. Mr. Krug, what jurisdiction, or relationship will this new power unit have over the FPC power expansion program, now, precisely? I am not quite sure as to the—

A. Well, the OPM has control of priorities and equipment.

Q. Yes.

A. And will have to make certain that defense needs are given foremost consideration. We expect no difficulty whatever in working with the Federal Power Commission on the best locations to put all of the new installations, because I find they are as anxious to take into account the needs of defense as we are.

Proposed new plants

Q. Now, they got out a long list of proposed new locations last week.

A. Yes; they did. You will recall they made clear in those statements that they were subject to change and tentative, and would clear with us to make certain that no units were located pursuant to that program that were conflicting.

Question of civilian curtailment

Q. Is there any immediate possibility that amusement centers, such as movie theatres, might have to curtail operations in the Southeast?

A. I don't think so.

Q. Is there any future possibility of

that? Just what is the situation on that?

A. Well, in the Southeast, as to just what activities will be curtailed, considerable has been done, and they have worked out a rather elaborate system of conserving power which, so far, does not take into account any reduction in the operation of the motion picture theatres, except reducing the differential on air conditioning.

Q. And they have no immediate danger of power shortage?

A. No.

Operation in Southeast

Q. Mr. Krug, here you speak about plans to minimize nonessential uses, and for fair and intelligent rationing of power. Could you give any indication of how those plans conceivably might operate if you find it necessary to put them into effect?

A. I can give you an outline of how they have worked out in the Southeast, if

that is what you have in mind. There they announced the program, first, for each class of customer, residential, commercial and industrial, and the first step was just cutting out nonessential uses. The second step was to ask for a specific quota from each class; and, to take commercial customers for example, that required that stores would turn off, or leave off rather, all window lighting and all display lighting, all signs, curtail elevator service and things of that kind. The industries were asked to scale down by a blank percentage over some preceding level.

How rationing would work

Q. What about rationing?

A. Well now, if you are rationing you just have to order that done; in other words, you would have to say, "All industries, except the following, shall cut as of this date, as to some percentage of their previous consumption."

FPC offers detailed plan for defense power to care for needs in years 1943-46

The Federal Power Commission's plan referred to in Mr. Krug's press conference was submitted to President Roosevelt July 16. Some 180 steam-electric and hydroelectric projects throughout the country, listed by location, capacity to be installed and year to be completed, were proposed to provide adequate power for defense in 1943, 1944, 1945, and 1946.

The Commission summarized its plan as follows:

1. Orders should be prepared for steam and hydro turbine generators sufficient to assure for the next 5 years continuous capacity operation of the portion of the electrical equipment factories reserved for manufacture of commercial generator units. Financial commitment should be made immediately for units to be completed in 1943 or 1944.

Subject to OPM needs

2. The resulting annual production of approximately 2,500,000 kilowatts of new steam and 1,000,000 kilowatts of new hydro generating station units will make possible orderly priority arrangements. It will assure power supply for the maximum defense effort as presently conceived, assuming approximately 30 percent displacement of normal loads.

3. The orders should be based on the Commission's detailed program for the

location of new capacity, subject to modifications dictated by the Office of Production Management's program of defense production.

Financial responsibility on RFC

4. Responsibility for the placing and financing of these orders should be assumed by the Government through a subsidiary financed by the Reconstruction Finance Corporation, acting upon recommendation of the Federal Power Commission. Utilities, whether publicly or privately owned, should be given an opportunity to undertake the commitment, either directly or on a lease purchase basis, for any unit or units which will be provided for their respective systems. The Commission should be authorized to supervise the plan and to make such arrangements for transfer of generating units to the systems as the situation may require.

5. The United States Corps of Engineers, the Bureau of Reclamation, the Tennessee Valley Authority and such other agencies as are concerned should construct a series of river basin projects, calling for installation of approximately 1,000,000 kilowatts a year, in accordance with the program and schedule prepared by the Federal Power Commission on the basis of the regional needs of the defense program.

PRICES AND CIVILIAN SUPPLIES . . .

Fair rent committees formed in 21 cities; OPACS urges quick action to head off rise

Organization of fair rent committees in 21 municipalities in 10 States was announced July 23 by the rent section of the Office of Price Administration and Civilian Supply as part of a campaign to stabilize rents in defense areas throughout the country.

The committees, headed by outstanding citizens of the communities, give full representation to all sides of the rent question. Their formation in every defense area where exorbitant increases in rents have accompanied housing shortages is encouraged and guided by the OPACS rent section, both by printed instructions as to procedure and by a field staff prepared to render first-hand assistance within the areas themselves.

Leadership in the campaign thus far has been taken by citizens in Wilmington, N. C.; South Bend, Ind.; San Diego, Calif.; Newport News, Norfolk, Portsmouth, Hampton, and Virginia Beach, Va.; Ravenna and Warren, Ohio; Pontiac, Mich.; Alexandria, La.; Columbus, Ga.; Mobile, Sylacauga, and Talladega, Ala.; and Hartford, New London, Groton, Waterbury, and Bristol, Conn. Additional fair rent committees are being organized in other defense areas.

Quick action urged to head off rise

Surveys now being conducted by Federal research agencies at request of the OPACS rent section and thousands of letters of complaint show that rapid rises in rents are under way in more than 100 defense areas. Quick action to head off this trend is urged by the OPACS rent section. Designation of fair rent committees, ably led, guided by OPACS and backed by the full force of public opinion and the local press is one method by which local authorities can curb rent profiteering.

OPACS recommends that fair rent committees be independent bodies, appointed by the mayor, some other responsible municipal authority or the chairman of a local defense council. Membership should be confined to citizens having the confidence of all groups in the community.

Consultants such as the local sanitary officer or building inspector, or both, the local welfare authorities, and a representative of the homes registration

office of the Division of Defense Housing Coordination where such offices operate, should be available to the committees. Municipal authorities and local branches of Governmental agencies (National Youth Administration, Work Projects Administration, etc.) are providing clerical and technical assistance.

Should determine "fair rent date"

Upon its organization, a fair rent committee should determine a "fair rent date," that is, a date on which local rents had not yet been affected seriously by defense activities. Tenants, roomers, and lodgers then should be invited to file specific complaints against increases with the committee. Given evidence of profiteering, the committee should summon the landlord and complainant to appear for a hearing of the case. The committee's decision should be communicated to the landlord and the latter asked to state his position. In event of compliance, no further action will be necessary, but if the landlord rejects the committee's conclusions, full publicity may be given to all facts in the case.

By agreement with OPACS, the Division of Defense Housing Coordination will refrain from registering at its homes registration offices any dwelling unit or room the rent for which has been declared unfair by a fair rent committee.

Should keep press informed

Headquarters, accessible to tenants and landlords, are an important operating feature. The local press should be kept completely informed on complaints and actions.

Commenting on the fair rent program, OPACS Administrator Henderson stated:

"The importance of rent stabilization to the national defense program has been recognized by President Roosevelt in his Executive order establishing the Office of Price Administration and Civilian Supply. Pressure for effective action has been increasing as the defense program progresses.

Rent profiteering a serious offense

"Profiteering in rents in the present state of unlimited national emergency is

a serious offense against the Nation's welfare. By placing an unwarranted and distressing burden upon defense workers, families of enlisted men, civilian personnel of military establishments and civilian residents of defense areas, the profiteering landlord not only adds to family costs of living, but contributes to price inflation. This is a catastrophe that every thoughtful American agrees must be averted by whatever means may be required."

Organizing bulletins offered

The OPACS rent section and its field staffs emphasize their readiness to give immediate attention and support to citizens in defense areas anxious to organize fair rent committees. Two bulletins outlining organization procedure and containing detailed operating outlines are available upon request at OPACS' offices in Washington, D. C.

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Materials allocated for bimetal temperature control devices

Adequate supplies of the variety of metals needed for the manufacture of thermostatic bimetal, used in temperature control devices, was assured July 22 through a limited allocation program announced by the Civilian Supply Allocation Division of OPACS.

Temperature control devices are essential to the manufacturing processes of many industries and have numerous civilian uses, such as for some types of thermostats in home-heating plants.

Ten metals affected

The program directs that the following metals in the quantities stated be allocated monthly to manufacturers of thermostatic bimetal and that, where necessary, the highest civilian preference rating be assigned to such orders:

Nickel, 14.4 short tons; iron, 43.8 short tons; silicon bronze, 9.6 short tons; muntz metal, 2.7 short tons; chromium, 1,320 pounds; manganese, 600 pounds; aluminum, 75 pounds; cobalt, 75 pounds; copper, 300 pounds; and zinc, 210 pounds.

The program, unless sooner terminated, will expire October 19, 1941, and will be administered by the Office of Production Management.

Henderson urges bakers to reduce operating costs rather than raise prices

Recommendation that bakers offset higher ingredient costs by reducing operating expenses, rather than by raising the price of bread, was made in a letter sent July 21 to over 250 leading bakers by OPACS Administrator Henderson.

By reducing the percentage of stale returns, using less expensive wrappers and cutting selling expenses, the letter said, costs of operation can be lowered in many instances. In addition, expanding purchasing power of consumers should act to increase sales of bread and, hence, make for lower unit costs.

Ingredients up one-half cent a loaf

Ingredient costs to bakers have risen roughly about one-half cent per pound loaf, according to information gathered by OPACS. In large part, this reflects increased flour costs resulting from legislation recently enacted by Congress providing for mandatory price-supporting loans to cooperating farmers equal to an average of 98 cents per bushel on wheat, compared with last year's loan

rate of 64 cents. Higher labor costs in some localities have added further to bakers' operating expenses.

Recognizes local difficulties

There are a few localities where higher costs cannot be absorbed by operating economies, the letter recognizes, and for that reason bakers who find themselves in such situations are no longer being requested to consult with OPACS before making price adjustments.

"However," Mr. Henderson said, "since average ingredient costs have risen only about half a cent a loaf, fractional increases in the selling price would be more in line with cost changes than would increases of a full cent. In no locality does it appear that an increase of more than one cent would be warranted."

OPACS will continue its efforts to prevent unnecessary increases in bread prices and believes these efforts will be successful with the continued cooperation of the baking industry.

Farm machinery given highest civilian preference

A civilian allocation program providing that manufacturers of farm machinery and equipment be given the "highest civilian preference rating" for materials to be delivered during August, September, and October, was issued July 23 by OPACS Administrator Henderson.

Material shortages, principally in steel farm machinery, already are threatening the current rate of production of certain types of farm equipment, according to information developed at a meeting July 24 between representatives of leading farm implement manufacturers and the OPACS Civilian Allocation Division.

Initial approach to solution of this problem has been made by OPACS through the allocation program.

The program is designed to insure an adequate supply of raw materials for manufacture of farm machinery needed for maintenance of the Nation's food supply and to avoid working a hardship on the country's farmers.

The program, which is to be administered by the Priorities Division of OPM, provides that the quantity of materials to be delivered for the manufacture of farm machinery during the next 3 months shall not amount to more than 20 percent above the quantity used in such manufacture during the corresponding 3 months of 1939 or 1940, whichever was higher. The program also provides that the preferences granted shall not be used to accumulate inventories.

Furthermore, manufacturers are required to conserve critical materials and to plan production schedules in accordance with the national need for different kinds of farm equipment. The program provides that manufacturers, in submitting requests for priority ratings, must attach statements of how they intend to comply with the conservation and production scheduling requirements.

Because the situation in raw materials is likely to deteriorate further, rather than improve over the next 3 months, farm implement makers were urged by OPACS to make every effort to stimulate the maintenance and repair of existing equipment and to employ substitutes in their manufacturing processes wherever possible.

During the 3 months covered by the allocation program, OPACS, with the assistance of the industry and the Department of Agriculture, will undertake a survey of the situation.

Materials for scientific apparatus and hearing-aids allocated to manufacturers

Makers of scientific apparatus and devices to aid hearing were assured supplies of essential manufacturing materials in preference over other civilian requirements through allocation programs promulgated July 24 by the Civilian Supply Allocation Division, OPACS.

In addition to its importance to the defense effort, scientific apparatus, such as optical, precision, testing and control instruments, is necessary to the maintenance of efficiency in civilian industry, as well as to civilian morale.

Defense priorities have impeded flow

In many cases, it is impossible to differentiate between the application of such apparatus to the defense program and to civilian pursuits. Increasingly heavy demands from all sources and priorities granted to satisfy defense requirements have acted to hinder the flow of needed materials to plants making scientific apparatus. The allocation program is designed to correct this situation.

A similar difficulty in obtaining supplies is cited in the program to assist the manufacturers of devices to aid hearing. Without this program, which covers ma-

terials needed to make, maintain, and repair hearing-aid equipment, the continued functioning of an industry essential to industrial efficiency and civilian morale may become impossible.

Both programs will be administered by the Priorities Division, OPM.

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Dr. Joel Dean added to Price staff

Dr. Joel Dean, assistant professor in the school of business at the University of Chicago, was appointed last week price executive in charge of industrial machinery, Price Division, OPACS.

Dr. Dean is an industrial engineer and was formerly connected with McKinsey-Wellington & Co., an industrial engineering concern.

Appointment of Albert A. Thornbrough was also announced.

Mr. Thornbrough will specialize in the field of agricultural machinery and equipment in the heavy machinery section under Dr. Dean.

Brass mill scrap placed under ceiling; premiums allowed on lot shipments

Ceiling prices were put into effect on the principal kinds of brass mill scrap in Price Schedule No. 12, issued July 22 by OPACS Administrator Henderson.

Top prices which may be charged under the new schedule for heavy scrap range from 9½ cents per pound for commercial bronze containing 95 percent or more copper to 8½ cents per pound for yellow brass. Rod ends and turnings scale downward from the heavy scrap ceiling prices.

Premiums for lot shipments

A premium of ½ cent per pound is allowed for a lot shipment of 15,000 pounds or more at one time. If a lot shipment of 40,000 pounds or more is made at one time a premium of one full cent per pound is permitted.

All ceiling prices contained in the schedule are f. o. b. point of shipment and apply to clean and dry scrap, free from foreign materials and meeting the generally accepted maximum standards in the trade.

Provisions for quantity differentials

In reference to quantity differentials, the schedule stipulates that a lot of 15,000 pounds may be made up of any kind or grade of heavy scrap or of any kind or grade of turnings and rod ends, but heavy scrap may not be mixed either with turnings or rod ends, or both, to make up such a lot. The 40,000-pound lots may be comprised of any kind or grade of brass mill scrap. These provisions were made to protect the small

independent brass mill which can use only heavy brass mill scrap, and at the same time are designed to facilitate the quick flow of scrap which might be hindered if 40,000-pound lots of heavy brass mill scrap alone or of turnings and rod ends alone had to be assembled in order to earn the 1-cent premium.

If quantity shipments are made by truck, according to the schedule, the quantity required to entitle the seller to a premium will be considered to have been shipped "at one time" if the entire lot is delivered to the buyer within two days after the first shipment in the lot is picked up by truck.

The premiums will compensate dealers for sorting and accumulating scrap until 15,000- or 40,000-pound lots are assembled. However, any maker or seller of scrap is entitled to similar quantity premiums. The base maximum prices stipulated in the schedule, of course, apply to all sellers of scrap, makers or dealers.

Dealers protected on commitments

New ceiling prices are effective as of July 22, 1941, regardless of pre-existing contracts. However, if necessary to protect the dealer against loss on the sale of brass mill scrap already acquired at prices above the new ceilings, OPACS will grant permission to conclude such contracts entered into prior to July 22, 1941.

Application for such permission should be made on forms available at the Office of Price Administration and Civilian Supply, Washington, D. C.

West Coast calfskins to be given special price ceiling

Marketing practices of suppliers and dealers in Pacific Coast calfskins will be recognized in special ceiling prices applicable to calfskins originating in that area, OPACS Administrator Henderson announced July 22.

A definite supplement to Price Schedule No. 9 (hides, kips and calfskins) will follow conferences with buyers and sellers of Pacific Coast skins. In the meanwhile, the following maximum prices will apply to Pacific Coast calfskins (all f. o. b. shipping points): Pacific Coast (13 to 15 pounds) 23½ cents per pound; Pacific Coast (6 to 13 pounds) 26 cents per pound; Pacific

Coast (less than 6 pounds) \$1.25 per skin.

These maximum prices make due allowance for freight charges from the West Coast and the special short trim used on calfskins taken off in that area. Pending final adjustment of the schedule, compliance with the maximum prices set forth above will be treated by OPACS as compliance with Price Schedule No. 9. The term Pacific Coast calfskins refers to skins weighing 15 pounds or less and trimmed short in accordance with established practice on the West Coast. Kips and calfskins originating in the Pacific Coast area, but not short trimmed, must conform to the price maximums established in the schedule for packer kips and Chicago city calfskins, respectively.

Redesigned containers save shipping space

The Department of Agriculture has found that large savings in valuable cargo space on British-aid shipments can frequently be effected through the scientific design of boxes, crates, and other shipping containers.

Secretary of Agriculture Wickard pointed out that the Forest Products Laboratory of the U. S. Forest Service has had many years' experience in the scientific design of both wood and fiber containers and is now helping in many ways in the design of containers for war commodities.

He cited an example of a wooden container for the shipment of 200-pound airplane bombs, which was recently redesigned by the Laboratory. The redesigned container employs a lower priced wood, requires less cargo space and less lumber, weighs less, yet has greater strength than the original container.

During the last war, the Forest Products Laboratory had a large unit working on container design with representatives attached to the office of the General Staff and also some inspectors at the New York shipping docks. Repeatedly containers for shells, rifles, and other articles were redesigned with savings in space.

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Alumina from alunite reported feasible by new process

Aluminum needed for defense can be obtained in quantity in the United States from domestic alunite deposits by a feasible process, partly freeing American production from present dependence on foreign bauxite supplies and limited native bauxite, the Bureau of Mines has advised Secretary of the Interior Ickes.

In a special report to the Secretary, the Bureau indicated that clays, as well as alunite, may possibly be utilized to produce alumina for the production of aluminum metal.

As a result of a study of confidential data made available to the Bureau by a private research laboratory, metallurgists of the Bureau have come to the conclusion that the alumina from alunite ores can be used to produce an aluminum metal equal in grade to that turned out by present standard processes. Analysis of cost data, Secretary Ickes was advised, indicates that alumina from alunite can be produced at a price that will permit it to compete with alumina from bauxite.

News for Retailers

Cotton Textiles

The unusual phenomenon of a decrease in the price of a finished product following an upward revision in a wholesale price ceiling was observed by OPACS textile officials last week.

Although a price reduction in finished fabrics was not general following the order of OPACS Administrator Henderson for an increase in the cotton grey goods and combed cotton yarn ceilings, the instance of a reduction of $\frac{1}{2}\text{¢}$ in a percale quotation of one company was considered. The revised ceilings fix prices at the level prevailing during the last week in May.

OPACS price executives point out that the new level, while higher than the old, is still considerably lower than the level that prevailed during June, prior to the establishment of the first grey goods ceiling on June 28. They, therefore, see no reason for price advances in consumer goods as a result of the order itself.

There may be some increases in finished fabrics that have not yet reflected the advance in wholesale prices during May, but in general, OPACS officials expect no sizeable price increases in the summer and fall lines of consumer goods.

Power Conservation

Local power shortages arising from heavy demands on electricity in some defense areas are now expected by OPM officials. In view of the important part that they may be expected to play in voluntary power conservation programs, retailers may be interested in the operation of a recent campaign in the South-eastern States.

Faced by unprecedentedly large electricity requirements necessary to keep aluminum plants continually operating at capacity, and drought limitation of power available, power authorities worked out a plan of cooperative reduction of nondefense consumption.

Joined in the program were the Tennessee Valley Authority, major private utility systems of the South, municipalities, local business groups, and householders. Although in effect only a short time, the conservation program met with widespread popular response.

Merchants were requested to cut their use of electricity 25 percent through the

reduction in use of advertising signs, window display lights, air-conditioning systems, and purely decorative lighting in nickel phonographs and similar devices.

Daytime use of window display lighting was discontinued, and a slight rise in temperature for air-conditioned establishments was suggested. Instead of the usual "15° cooler," merchants were asked to lower the controls to 8° below the outside temperature.

Electrical appliance dealers were circularized with appeals to suspend promotional activities on new sales. But sales of major appliances for replacement use were not discouraged in cases where the new models would be more efficient than the old. It was said that many new refrigerators used only 50 percent of the electricity of an obsolete model, while efficient new ranges used only an estimated 70 percent of the power required by an old stove.

Officials suggested the featuring of fluorescent lamps for interior lighting, stressing the economy of this type over conventional lighting methods. Low-wattage bulbs for night lights were also recommended.

Service and repair men, it was pointed out, could be kept busy on conservation jobs, repairing refrigerators, resetting thermostats, fixing leaky hot water faucets. Many customers were reported asking where such services could be obtained. By providing them, officials suggested, the dealers would be able to obtain sales leads for use after the emergency.

Officials outlined the possibility of using the conservation appeals in their advertising as a means of creating goodwill for individual establishments.

Retail merchants associations in many cities of the region added individual touches of their own to the program. The retailers association of Knoxville, Tenn., carried out a plan for cutting off window lights at 8 p. m. Interior lighting was slated for a 25-percent reduction. Outdoor signs suffered a complete black-out, and air-conditioning was shut off between 11 and 12:30, during the mid-day peak of electric range use.

In Macon, Miss., merchants closed their stores on Saturday night at 9 p. m. instead of midnight. All filling stations in Aberdeen, Miss., closed at 8 p. m. Many restaurants featured a "candle-light" supper as a contribution to the campaign.

As the result of the rapid adoption of daylight saving in the area, and unusually heavy July rains that added water to storage reservoirs, the more drastic "black-out" provisions of the program were proclaimed at an end on July 19. In view of the possibility of a future shortage later in the year, however, officials urged the continuing need for thrift in use of electricity.

By the means of long-range planning, speeding up of generator production and installation, building of dams and steam plants, and widespread electric grid systems that transfer power from one region to another, the new OPM power unit is seeking to avoid serious shortages.

OPM officials point out, however, that such programs take time. Defense materials requiring the heaviest use of power are aluminum and magnesium, the indispensable metals for airplane construction. Plants to make these two metals can be built faster than the generators and dams required to supply them with power.

Where shortages do occur, retailers will probably find many of the methods developed in the voluntary conservation program of the South applicable to their own areas, and more desirable than the alternative of compulsory rationing.

Retail Bread Prices

Advancing ingredient costs need not raise retail bread prices nationally according to OPACS food price executives.

A general increase in ingredient costs to the baker of about one-half cent per pound loaf was recognized in a recent letter from Mr. Henderson's office to over 250 leading bakers. Local cost factors make this increase more in some places and less in others. However, bakers were asked to meet this cost rise, where possible, through operating economies rather than by increasing the price to the retailer.

Where only fractional increases in wholesale prices are made, it is expected that the retailer, in many instances, can absorb the increase rather than pass it on to the consumer in the form of a full cent increase. Particularly should this be possible in those localities where the two cent mark-up prevails, and an increased volume of sales has resulted from the defense program.

Since it was made clear in Mr. Henderson's letter that a one cent increase in wholesale price was the maximum warranted by cost increases, it follows that in no case should the increase in the retail mark-up be more than one cent, OPACS officials point out.

PURCHASES . . .

\$421,020,037 War Department contracts cleared July 17 through July 23

Defense contracts totaling \$421,020,037 were awarded by the War Department and cleared by the Division of Purchases, Office of Production Management, during the period July 17 through July 23. This compares with \$143,044,916 for the previous week.

Contracts for construction amounted to \$53,783,900; equipment and supplies \$131,934,536; and ordnance \$235,301,601.

The Maritime Commission did not report any contracts.

Contracts awarded during the period were:

EQUIPMENT AND SUPPLIES

Ford Motor Co., Dearborn, Mich.; 1½-ton trucks; \$1,169,598.

International Harvester Co., Fort Wayne, Ind.; 2½-ton trucks; \$698,048.

Curtiss-Wright Corporation, Curtiss Propeller Division, Caldwell, N. J.; propeller assemblies; \$631,672.

Curtiss-Wright Corporation, Curtiss Propeller Division, Caldwell, N. J.; governor assemblies; \$563,148.

Chandler-Evans Corporation, South Meriden, Conn.; fuel pumps; \$921,500.

Kelsey-Hayes Wheel Co., Detroit, Mich.; oxygen cylinders; \$531,319.

Republic Aviation Corporation, Farmingdale, Long Island, N. Y.; maintenance parts; \$781,946.

Lord Manufacturing Co., Erie, Pa.; maintenance parts; \$695,599.

Wright Aeronautical Corporation, Paterson, N. J.; parts for engines; \$4,338,093.

Sperry Gyroscope Co., Inc., Brooklyn, N. Y.; maintenance parts; \$526,231.

United Aircraft Corporation, Pratt & Whitney Aircraft Division, East Hartford, Conn.; maintenance parts; \$1,445,769.

North American Aviation, Inc., Inglewood, Calif.; maintenance parts; \$1,360,505.

Consolidated Aircraft Corporation, San Diego, Calif.; maintenance parts; \$568,087.

Vultee Aircraft, Inc., Vultee Field, Calif.; maintenance parts; \$1,374,116.

Hood Rubber Co., Inc., Watertown, Mass.; flying shoes; \$312,487.

Converse Rubber Co., Malden, Mass.; flying shoes; \$141,410.

Arnoff Shoe Co., Inc., New York, N. Y.; flying shoes; \$325,500.

Independent Engineering Co., O'Fallon, Ill.; portable generators; \$618,000.

The Electric Storage Battery Co., Philadelphia, Pa.; batteries; \$388,342.

Wright Aeronautical Corporation, Paterson, N. J.; tools; \$838,648.

Boeing Aircraft Co., Seattle, Wash.; maintenance parts; \$2,872,680.

The Glenn L. Martin Co., Baltimore, Md.; spare parts; \$3,666,020.

The Glenn L. Martin Co., Baltimore, Md.; turret assemblies; \$540,887.

Federal Motor Truck Co., Detroit, Mich.; trucks; \$824,670.

Consolidated Aircraft Corporation, San Diego, Calif.; spare parts; \$4,003,941.

Continental Motors Corporation, Muskegon, Mich.; engines; \$3,921,652.

General Motors Corporation, Detroit, Mich.; diesel engines; \$1,137,800.

Guiberson Diesel Engine Co., Dallas, Tex.; engines; \$1,049,656.

Ward La France Truck Corporation, Elmira, N. Y.; heavy wrecking trucks; \$1,658,520. Chandler-Hill Corporation, Detroit, Mich.; fuel pumps; \$535,750.

Standard Steel Works, North Kansas City, Mo.; semitank trailers and dollies; \$965,448.

Douglas Aircraft Co., Inc., Santa Monica, Calif.; spare parts; \$1,524,863.

Harrisburg Steel Corporation, Harrisburg, Pa.; gas cylinders; \$946,500.

Thompson Products, Inc., Cleveland, Ohio; fuel pumps; \$861,000.

Rolls-Royce, Inc., Detroit, Mich.; ball and roller bearings; \$772,288.

Sperry Gyroscope Co., Inc., Brooklyn, N. Y.; spare parts for automatic pilots; \$711,965.

Lockheed Aircraft Corporation, Burbank, Calif.; spare parts; \$694,477.

Standard Oil Co. of California, San Francisco, Calif.; fuel; \$1,142,130.

Socony Vacuum Oil Co., Inc., New York, N. Y.; fuel; \$588,437.

Shell Oil Co., Inc., San Francisco, Calif.; fuel; \$70,000.

Standard Oil Co., Inc., in Kentucky, Louisville, Ky.; fuel; \$324,000.

Phillips Petroleum Co., Bartlesville, Okla.; fuel; \$155,580.

Aviation Manufacturing Corporation, Lycoming Division, Williamsport, Pa.; aircraft engines; \$1,048,453.

Bendix Aviation Corporation, Eclipse Aviation Division; supercharger regulator assemblies; \$928,329.

Spiesch Tool and Mfg Co., Inc., Buffalo, N. Y.; shackle assemblies; \$372,100.

Guiberson Diesel Engine Co., Chicago, Ill.; engines; \$4,264,515.

Kilgore Mfg. Co., International Flare-Signal Division, Tipp City, Ohio; aircraft signals; \$1,422,824.

Aviation Manufacturing Corporation, Lycoming Division, Williamsport, Pa.; aeronautical engines; \$16,945,430.

Clark Tractor, Division of Clark Equipment Co., Battle Creek, Mich.; tractors and spare parts; \$1,668,116.

Jack and Heintz, Inc., Cleveland, Ohio; airplane starter assemblies; \$1,925,000.

American Woolen Co., New York, N. Y.; wool lining cloth; \$2,496,000.

Wilton Woolen Co., Wilton, Maine; wool lining cloth; \$664,875.

Hayward-Schuster Co., East Douglas, Mass.; wool lining cloth; \$592,275.

Wool lining cloth; contracts awarded to four companies; \$864,325.

Forstmann Woolen Co., Passaic, N. J.; doek-skin cloth; \$1,037,500.

American Woolen Co., New York, N. Y.; melton overcoating cloth; \$8,302,500.

Melton overcoating cloth; contracts awarded to three companies; \$311,275.

American Woolen Co., New York, N. Y.; o. d. wool suiting for combat jacket lining; \$1,032,480.

Guerin Mills, Inc., Woonsocket, R. I.; serge cloth; \$876,000.

Metcalf Bros. & Co., New York, N. Y.; serge cloth; \$1,140,000.

Lorraine Mfg. Co., Pawtucket, R. I.; serge cloth; \$813,125.

Gera Mills, New Jersey Worsted Mills, Garfield, N. J.; serge cloth; \$995,000.

Botany Worsted Mills, Passaic, N. J.; serge cloth; \$2,832,200.

American Woolen Co., New York, N. Y.; serge cloth; \$1,960,000.

Wm. Whitman Co., Inc., Boston, Mass.; serge cloth; \$1,359,500.

Serge cloth for coats; contracts awarded to seven companies; \$1,387,099.

Samuel Hird & Sons, Inc., Garfield, N. J.; serge cloth for trousers; \$582,000.

American Woolen Co., New York, N. Y.; serge cloth for trousers; \$3,780,000.

Southern Worsted Corporation, Boston, Mass.; serge cloth for trousers; \$544,000.

Serge cloth for trousers; contracts awarded to four companies; \$720,750.

Wool knitted lining cloth; contracts awarded to nine companies; \$542,423.

J. P. Stevens Co., New York, N. Y.; elastique cloth for flying cadet coats; \$608,800.

Elastique cloth for flying cadet coats; contracts awarded to two companies; \$489,500.

Lorraine Mfg. Co., Pawtucket, R. I.; flannel shirting; \$509,400.

American Woolen Co., New York, N. Y.; flannel shirting; \$3,062,500.

Pacific Mills, Philadelphia, Pa.; flannel shirting; \$839,000.

Wm. Whitman Co., Inc., Boston, Mass.; flannel shirting; \$1,293,000.

J. P. Stevens Co., New York, N. Y.; flannel shirting; \$750,060.

Botany Worsted Mills, Passaic, N. J.; flannel shirting; \$1,570,500.

Flannel shirting; contracts awarded to four companies; \$704,509.

Serge cloth for flying cadet shirts; contracts awarded to four companies; \$732,190.

Wyandott Worsted Co., Waterville, Maine; o. d. wool blankets; \$835,000.

American Woolen Co., New York, N. Y.; o. d. wool blankets; \$3,005,000.

J. P. Stevens & Co., Lowell, Mass.; o. d. wool blankets; \$668,500.

Chatham Mfg. Co., Elkin, N. C.; o. d. wool blankets; \$1,670,000.

Peerless Woolen Mills, Rossville, Ga.; o. d. wool blankets; \$1,627,500.

O. D. wool blankets; contracts awarded to 11 companies; \$2,152,253.

International Harvester Co., Chicago, Ill.; tractors; \$2,126,899.

Cheney Brothers; Manchester, Conn.; parachute silk; \$733,750.

CONSTRUCTION

Geo. A. Fuller Co., Los Angeles, Calif.; construction of cantonment housing, including utilities thereto except sewage disposal and treatment system at Camp Lockett, Campo, Calif.; \$1,227,700.

James T. Taylor, Fort Worth, Tex.; construction of miscellaneous buildings with enclosed walks and open covered walks at Camp Berkeley, Tex.; \$992,000.

J. E. Morgan and Sons, El Paso, Tex.; construction of post headquarters, motor repair shops, grease and inspection racks, oil houses and wash racks at Fort Bliss, Tex.; \$651,325.

Frank Briscoe Co., Inc., Newark, N. J.; construction of rounding out facilities at Pictinny Arsenal, N. J.; \$508,140.

Manhattan Construction Co., Muskogee, Okla.; construction of material warehouses and toilet buildings, at Savanna Ordnance Depot, Ill.; \$968,300.

H. B. Kilstofte, San Antonio, Tex.; construction of warehouses for San Antonio Arsenal, Tex.; \$539,900.

P. O'B. Montgomery, Dallas, Tex.; completion of reception center at Camp Wolters, Tex.; \$532,000.

Two contractors: R. F. Ball Construction Co. of Fort Worth and Central Contracting Co. of Dallas, Tex.; construction of Air Corps basic flying school at Sherman-Denison, Tex.; \$3,087,681.

Gifford-Hill & Co., Dallas, Tex.; additional construction at basic flying school at Sherman-Denison, Tex.; \$1,981,405.

Two contractors: Henderson, Black & Greenmill Co., Troy, Ala., and Southeastern Construction Co., Ozark, Ala.; construction

of advanced flying school, Dothan, Ala.; \$3,-472,295.

Three contractors: Boyle Construction Co., Sumter, S. C.; the J. C. Heslep Co., Columbia, S. C.; and Dawson Engineering Co. of Charleston, S. C.; construction of basic flying school near Sumter, S. C.; \$2,834,000.

Two contractors: Nelson Brothers and L. W. Eaton, Baton Rouge, La.; construction of housing for Twenty-second Observation Squadron at DeRidder, La.; \$1,190,173.

Charles H. Tompkins Co., Washington, D. C.; construction of Engineer Reproduction Plant designed by Porter & Lockie of Washington, D. C.; at Dalecarlia Reservoir, D. C.; \$1,019,500.

Two contractors: Paul Smith Construction Co. of Tampa and C. C. Moore Construction Co., Inc., of Panama City; additional construction at Flexible Gunnery School, Panama City, Fla.; architects and engineers, Southern Engineering and Architectural Co., Jacksonville, Fla.; \$847,503. (Estimated cost of project to date \$3,917,920.)

Ford, Bacon & Davis, Inc., New York, N. Y.; construction of Arkansas Ordnance Plant, Jacksonville, Ark.; \$21,297,768.

Bates & Rodgers Construction Co., Chicago, Ill.; additional construction at Kingsbury Ordnance Plant, La Porte, Ind.; architects and engineers, Giffels & Valet of Detroit, Mich., and Charles W. Cole, South Bend, Ind.; \$3,690,617. (Total estimated cost of plant to date \$15,267,947.)

M. T. Reed Construction Co., Belzoni, Miss.; construction of basic flying school, Greenville, Miss.; \$1,768,000. (Estimated eventual cost when funds are available \$4,400,680.)

Two contractors: Al Johnson Construction Co. and James Leck Co., Minneapolis, Minn.; construction of warehouses, closed sheds, and utilities at General Depot, Utah; \$992,950.

Bressl and Bevanda Constructors, Los Angeles, Calif.; construction of aprons, runways, taxiways, etc., at Mesa Military Airport, Higley, Ariz., and Victorville Military Airport, Calif.; \$1,317,245.

James I. Barnes Construction Co., Santa Monica, Calif.; construction of fourteen warehouse units and appurtenant facilities, McClellan Field, Sacramento, Calif.; \$782,000.

A. G. Ratsch, San Francisco, Calif.; construction of runway paving, including metal pipe underdrains, manholes, catch basins, etc., Hamilton Field, Calif.; \$513,131.

J. E. Haddock, Ltd., Pasadena, Calif.; construction of landing strip, runways, taxiways, and appurtenant facilities, Bakersfield, Calif.; \$531,895.

J. E. Haddock, Ltd., Pasadena, Calif.; construction of landing strip, paved runways, paved taxiways, etc., Taft Field, Taft, Calif.; \$528,174.

Two contractors: Matich Bros. and E. L. Yaeger, Riverside, Calif.; construction of apron, runways, taxiways, and appurtenant facilities, March Field, Riverside, Calif.; \$982,220.

O'Driscoll & Grove, Inc., New York, N. Y.; construction of six radio buildings, Scott Field, Belleville, Ill.; \$990,000.

Skilken Brothers, Columbus, Ohio; construction of standard closed sheds at Columbus General Depot, Ohio; \$539,978.

ORDNANCE

National Stamping Co., Detroit, Mich.; metallic belt links; \$1,628,625.

Edgemoor Iron Works, Inc., Edgemoor, Del.; shells; \$1,580,000.

Cleveland Container Co., Cleveland, Ohio; ammunition carriers; \$633,500.

Chisholm-Ryder Co., Niagara Falls, N. Y.; ammunition boxes; \$768,750.

Sculin Steel Co., St. Louis, Mo.; bomb matériel; \$1,485,000.

Republic Steel Corporation, Cleveland, Ohio; armor plate; \$5,423,000.

Southern States Equipment Corporation, Birmingham, Ala.; boosters; \$561,370.

Faultless Caster Corporation, Evansville, Ind.; fuzes; \$552,500.

General Motors Corporation, Delco Products Division Dayton, Ohio; shells; \$924,260.

Grapho Products, Inc., Indianapolis, Ind.; shells; \$947,200.

Indianapolis Drop Forging Co., Indianapolis, Ind.; shot; \$1,800,500.

Schwitzer-Cummins Co., Indianapolis, Ind.; cartridge cases; \$526,320.

Servel, Inc., Evansville, Ind.; cartridge cases; \$561,600.

Electric Vacuum Cleaner Co., Cleveland, Ohio; fuzes; \$1,438,500.

Globe Machine & Stamping Co., Cleveland, Ohio; cartridge cases; \$1,137,500.

Hoover Co., North Canton, Ohio; fuzes; \$1,086,400.

Mullins Mfg. Co., Warren, Ohio; cartridge cases; \$2,311,944.

Chase Brass & Copper Co., Waterbury, Conn.; cartridge cases; \$1,484,625.

Sargent & Co., New Haven, Conn.; fuzes; \$2,319,660.

Scovill Mfg. Co., Waterbury, Conn.; cartridge cases and boosters; \$8,048,442.

Standard Container Corporation, Bloomfield, N. J.; fiber containers; \$1,822,814.

E. G. Budd Mfg. Co., Philadelphia, Pa.; shells; \$1,507,872.

Edgemoor Iron Works, Inc., Edgemoor, Del.; shells; \$5,451,000.

Hercules Powder Co., Wilmington, Del.; powder; \$2,073,438.

Kramer Trenton Co., Trenton, N. J.; cartridge cases; \$595,720.

Aircraft, Inc., Santa Monica, Calif.; shells; \$730,800.

Norris Stamping & Mfg. Co., Los Angeles, Calif.; cartridge cases; \$1,935,200.

Byron Jackson Co., Los Angeles, Calif.; recoil mechanisms; \$1,395,000.

Gilbert & Barker Mfg. Co., West Springfield, Mass.; water jackets; \$523,792.

Hannifin Mfg. Co., Chicago, Ill.; recoil mechanisms and equilibrators; \$1,855,000.

Vilter Mfg. Co., Milwaukee, Wis.; guns; \$1,446,518.

Kelsey-Hayes Wheel Co., Plymouth, Mich.; small arms matériel; \$11,751,986.

Pettibone Mulliken Co., Chicago, Ill.; gun carriages; \$1,846,000.

York Safe & Lock Co., York, Pa.; gun mounts; \$872,800.

Westinghouse Electric & Mfg. Co., Springfield, Mass.; oil gears; \$710,133.

Continental Roll and Steel Foundry Co., East Chicago, Ind.; castings; \$3,252,000.

General Steel Castings Corporation, Eddystone, Pa.; castings; \$3,450,000.

American Locomotive Co., New York, N. Y.; parts for tanks; \$1,417,590.

Trackson Co., Milwaukee, Wis.; truck mounts; \$942,115.

American Car & Foundry Co., Berwick, Pa.; tanks and parts; \$1,787,338.

Diamond T Motor Car Co., Chicago, Ill.; carriers and parts; \$4,498,706.

Oilgear Co., Milwaukee, Wis.; parts for tanks; \$2,105,469.

Firestone Tire & Rubber Co., Akron, Ohio; band tracks; \$975,650.

B. F. Goodrich Co., Akron, Ohio; band tracks; \$3,168,876.

Goodyear Tire & Rubber Co., Inc., Akron, Ohio; band tracks; \$868,689.

White Motor Co., Cleveland, Ohio; half-track cars; \$2,560,902.

American Car & Foundry Co., Berwick, Pa.; tanks; \$12,543,214.

Autocar Co., Ardmore, Pa.; half-track carriers; \$4,519,532.

Central Steel Tube Co., Inc., Clinton, Iowa; tripod mounts; \$746,503.

Revere Copper & Brass, Inc., New York, N. Y.; brass cups; \$11,033,602.

McCord Radiator & Mfg. Co., Detroit, Mich.; helmet liners and suspension and helmet bodies; \$3,215,370.

H. W. Butterworth & Sons, Philadelphia, Pa.; tripod mounts; \$3,003,000.

Crown Cork & Seal Co., Baltimore, Md.; tripod mounts; \$2,713,926.

American Car and Foundry Co., Berwick, Pa.; armor plate; \$1,090,000.

National Stamping Co., Detroit, Mich.; metallic belt links; \$1,037,275.

Colt's Patent Fire Arms Mfg. Co., Hartford, Conn.; small arms matériel; \$1,056,585.

Kelsey-Hayes Wheel Co., Plymouth, Mich.; small arms matériel; \$12,585,300.

Singer Mfg. Co., New York, N. Y.; directors; \$3,432,000.

Buckeye Traction Ditcher Co., Findlay, Ohio; transmissions; \$2,348,000.

Chrysler Corporation, Detroit, Mich.; tanks and spare parts; \$63,785,816.

Chrysler Corporation, Detroit, Mich.; tanks and parts; \$10,781,945.

Bucyrus-Erie Co., South Milwaukee, Wis.; gun carriages; \$2,807,900.

General Motors Corporation, Delco Brake Division, Dayton, Ohio; boosters; metal parts; \$1,290,000.

General Industries, Inc., Elyria, Ohio; fuzes; \$925,000.

Fort Pitt Bedding Co., Pittsburgh, Pa.; metallic belt links; \$720,000.

Chicago Flexible Shaft Co., Chicago, Ill.; fuzes; \$901,529.

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Nearly a billion for defense disbursed in June

Disbursements for defense by the United States Government in June came close to the billion dollar mark. Checks issued by various governmental agencies for defense purposes totaled \$994,200,000. This was an increase of 9.2 percent over disbursements in May. The figures were compiled by the Bureau of Research and Statistics, OPM.

Transfers of funds by the War and Navy Departments to each other and to other agencies were reported as checks issued, and these transfers when subsequently disbursed by the agency to which they were transferred were not included in the totals.

In the tabulation presented herewith the large increase from the December 1940 to the January 1941 figure is accounted for by an unusual transfer of funds from the War Department to Navy Department. For the most part, however, such transfers did not materially affect the figures.

U. S. GOVERNMENT DEFENSE DISBURSEMENTS

	Millions of dollars	Percentage change from previous month
1940		
July.....	176.9	
August.....	235.3	+33.0
September.....	269.5	+14.5
October.....	332.1	+23.2
November.....	405.0	+22.0
December.....	489.0	+20.7
1941		
January.....	737.2	+50.8
February.....	721.8	-2.1
March.....	854.6	+18.4
April.....	918.8	+7.5
May.....	910.8	-0.9
June.....	994.2	+9.2

¹ Preliminary.

191 Certificates of Necessity for plant expansion issued to 169 corporations

A total of 191 Certificates of Necessity were issued to 169 corporations from July 1 to July 15, inclusive, the National Defense Advisory Commission announced this week. These certificates were issued in connection with the construction and acquisition of new plant and manufacturing facilities, the estimated cost of which was \$45,813,000.

This brings the total issued through July 15 to 1,910 and the number of corporations to 1,679. The cost of facilities covered to date was estimated at \$1,055,005,000.

A compilation of firms for the first half of July, and estimated cost of facilities follows:

Acushnet Process Co., New Bedford, Mass.; gas masks and parts; \$40,000.

Aircraft Accessories Corporation, Glendale, Calif.; aircraft hydraulic equipment; \$337,000.

Aircraft Components, Inc., Van Nuys, Calif.; aircraft steel and aluminum products; \$52,000.

Air-Maze Corporation, Cleveland, Ohio; aircraft and Diesel engine flame arrestors and oil separators; \$50,000.

Alabama Dry Dock & Shipbuilding Co., Mobile, Ala.; repair and reconstruction vessels; \$1,639,000.

Aldan Rubber Co., Philadelphia, Pa.; rubber coated fabric; \$20,000.

Allegheny Ludlum Steel Corporation, Pittsburgh, Pa.; strip steel; \$276,000.

Allied Aviation Corporation, Dundalk, Md.; aircraft component parts of plywood structures; \$79,000.

Allied Oil Transport Co., Inc., Cleveland, Ohio; fuel oil transportation; \$65,000.

Allis-Chalmers Manufacturing Co., Milwaukee, Wis.; ship propulsion shafting and electric transmissions; \$1,138,000.

American Car & Foundry Co., New York, N. Y.; valves for naval vessels; \$86,000.

American Forge Co., Berkeley, Calif.; heavy forgings, \$115,000.

The American Foundry Equipment Co., Mishawaka, Ind.; foundry equipment; \$142,000.

American Gas Accumulator Co., Elizabeth, N. J.; machine tools; \$30,000.

American Hollow Boring Co., Erie, Pa.; turning and boring of forged steel shafts; \$23,000.

American Locomotive Co., New York, N. Y.; springs, turret rings and howitzer carriages; \$107,000.

Anaconda Wire and Cable Co., New York, N. Y.; shipboard cable; \$100,000.

Archer-Daniels-Midland Co., Minneapolis, Minn.; storage of grain; \$61,000.

Armour & Co., U. S. Yards, Chicago, Ill.; dried egg products; \$30,000.

Armour & Co., of Delaware, U. S. Yards, Chicago, Ill.; dried egg products; \$34,000.

E. C. Atkins & Co., Indianapolis, Ind.; gun accessories and armor plate; \$85,000.

Auburn Spark Plug Co., Inc., Auburn, N. Y.; aircraft magneto and spark plug parts; \$27,000.

The Babcock & Wilcox Co., New York, N. Y.; refractories; \$340,000.

The Baker-Raulang Co., Cleveland, Ohio; truck, tractor and crane machined parts; \$73,000.

The Bassick Co., Bridgeport, Conn.; ammunition racks and trays; \$6,000.

Bay Chemical Co., Inc., New Orleans, La.; atore and lead muriatic acid; \$45,000.

Bay State Abrasive Products Co., Westboro, Mass.; grinding wheels, honing and oil stones; \$185,000.

J. Bishop & Co. Platinum Works, Malvern, Pa.; steel tubing; \$75,000.

Blaw-Knox Co., Pittsburgh, Pa.; armor castings; \$296,000.

Bohn Aluminum & Brass Corporation, Detroit, Mich.; bearings for tanks, trucks, and aircraft engines; \$128,000.

Bower Roller Bearing Co., Detroit, Mich.; roller bearings; \$92,000.

Brewer-Titchener Corporation, Cortland, N. Y.; aeroplane parts; \$22,000.

Bridgeport Brass Co.; Bridgeport, Conn.; copper and gilding metal rotating bands; \$20,000.

Bridgeport Rolling Mills Co., Stratford, Conn.; cartridge brass, bronze for insignia and brass strip; \$109,000.

Briggs and Stratton Corporation, Milwaukee, Wis.; metal parts for fuzes and bombs; \$333,000.

Charles Bruning Co., Inc., Chicago, Ill.; reproduction machines and accessories; \$113,000.

The Bunker Hill & Sullivan Mining & Concentrating Co., Kellogg, Idaho; slags; \$552,000.

J. H. Bunnell & Co., New York City, N. Y.; communication equipment; \$17,000.

Burchell Products, Inc., New York, N. Y.; jigs, fixtures, and tools for guns and torpedoes; \$21,000.

The California, Arizona and Santa Fe Railway Co., Chicago, Ill.; transportation; \$22,000.

The Carbide Company, Inc., Macomb County, Mich.; tungsten carbide for cutting tools, dies, etc.; \$394,000.

The Carlton Machine Tool Co., Cincinnati, Ohio; radial drills; \$36,000.

The Cincinnati Planer Co., Cincinnati, Ohio; planers and boring mills; \$198,000.

The E. D. Clapp Manufacturing Co., Auburn, N. Y.; drop forgings, dies, tools and fixtures; \$28,000.

Cleaver-Brooks Co., Milwaukee, Wis.; boilers and sterilizers; \$35,000.

The Cleveland Tractor Co., Cleveland, Ohio; military tractors; \$9,000.

Cleveland Twist Drill Co., Cleveland, Ohio; drills, reamers, and end mills; \$31,000.

Colorado Fuel and Iron Corporation, Denver, Colo.; forging for shells; \$29,000.

Combustion Engineering Company, Inc., New York, N. Y.; boilers and fabricated products; \$422,000.

Commercial Shearing & Stamping Co., Youngstown, Ohio; tool brackets; \$12,000.

The Cooper Alloy Foundry Co., Elizabeth, N. J.; alloy steel castings; \$69,000.

Crane Co., Chicago, Ill.; valves; \$63,000.

Crescent Tool Co., Jamestown, N. Y.; wrenches and pliers; \$1,000.

Cross Gear & Machine Co., Detroit, Mich.; special machine tools; \$62,000.

Crucible Steel Casting Co., Cleveland, Ohio; steel castings; \$67,000.

Curtiss-Wright Corporation, Buffalo, N. Y.; airplanes; \$8,000.

Cushman Chuck Co., Hartford, Conn.; chucks for machine tools; \$228,000.

The Deer Creek Elevator Co., Blackwell, Okla.; storage of grain; \$47,000.

DeVlieg Machine Co., Ferndale, Mich.; milling and boring machines; \$72,000.

The Dow Chemical Co., Midland, Mich.; magnesium metal alloys; \$325,000.

Dunlop Milling Company, Inc., Clarksville, Tenn.; storage of grain; \$115,000.

Duplex Printing Press Co., Battle Creek, Mich.; gun carriages; \$1,000.

E. I. Du Pont de Nemours & Co., Inc., Wilmington, Del.; chemicals; \$235,000.

The Duriron Company, Inc., Dayton, Ohio; Durlon and Durlichor castings; \$5,000.

Edgerton Milling Co., Edgerton, Mo.; storage of grain; \$6,000.

Electric Wheel Co., Quincy, Ill.; trailers and parts; \$54,000.

Electro Metallurgical Co., New York, N. Y.; steels; \$1,176,000.

Ellwood City Forge Co., Ellwood City, Pa.; Diesel engine crankshafts; \$63,000.

Erie Forge Co., Erie, Pa.; steel ingots and castings; \$43,000.

Erie Forge & Steel Co., Erie, Pa.; steel ingots and forgings; \$23,000.

Fairfield Manufacturing Co., Lafayette, Ind.; gears; \$21,000.

Farmers Elevator Co., Chappell, Nebr.; storage of grain; \$19,000.

Firth-Sterling Steel Co., McKeesport, Pa.; tungsten metal powder; \$158,000.

Fort Worth Poultry & Egg Co., Inc., Fort Worth, Tex.; dried egg products; \$89,000.

The Fountain Sand & Gravel Co., Pueblo, Colo.; mixed concrete; \$14,000.

The Gear Grinding Machine Co., Hamtramck, Mich.; gear grinding machines and universal joints; \$80,000.

General Electric Co., Schenectady, N. Y.; motors, generators, and dynamometers; \$592,000.

General Motors Corporation, Detroit, Mich.; shoe track assemblies for tanks and gun breech housings; \$401,000.

General Steel Castings Corporation, Eddystone, Pa.; armor grade steel castings; \$370,000.

The Geometric Tool Co., New Haven, Conn.; chasers; \$79,000.

Gisholt Machine Co., Madison, Wis.; turret lathes; \$185,000.

The Gleason Works, Rochester, N. Y.; machine tools; \$241,000.

Goodyear Tire & Rubber Co., Akron, Ohio; removal of toxic concentration, synthetic rubber, tires, and tubes; \$498,000.

The Goss & Deleuw Machine Co., New Britain, Conn.; chucking machines; \$135,000.

Greenville Steel Car Co., Greenville, Pa.; railroad equipment; \$158,000.

Gregory & Read Co., Lynn, Mass.; canvas leggings; \$7,000.

Gulf Shipbuilding Corporation, Mobile, Ala.; navy destroyers; \$1,103,000.

Allan Hancock College of Aeronautics, Santa Maria, Calif.; training of pilots; \$7,000.

Harrisburg Steel Corporation, Harrisburg, Pa.; bomb bodies; \$83,000.

Heppenstall Co., Pittsburgh, Pa.; forgings; \$149,000.

C. Hiltebrand Dry Dock Co., Kingston, N. Y.; mine sweepers; \$24,000.

Houston Natural Gas Corporation, Houston, Tex.; natural gas; \$25,000.

Huegely Elevator Co., Nashville, Ill.; storage of grain; \$5,000.

The Indiana Steel Products Co., Chicago, Ill.; permanent magnets; \$70,000.

International Elevator Co., Minneapolis, Minn.; storage of grain; \$18,000.

International Machine Tool Corporation, Elkhart, Ind.; machine tools; \$50,000.

Jeffersonville Boat & Machine Shop, Jeffersonville, Ind.; submarine chasers; \$111,000.

Jessop Steel Co., Washington, Pa.; steel products; \$30,000.

Jones Machine Tool Works, Inc., Philadelphia, Pa.; machine tools; \$183,000.

Kennedy-Van Saun Manufacturing & Engineering Corporation, Danville, Pa.; trench mortars and mounts; \$117,000.

Kindred Farmers Elevator Co., Kindred, N. Dak.; storage of grain; \$9,000.

L. O. Koven & Brother, Inc., Jersey City, N. J.; manifolds, diesel engine parts and fire control equipment; \$41,000.

Lancaster Iron Works, Inc., Lancaster, Pa.; steel barges, dredges and hulls for boats; \$25,000.

Landis Tool Co., Waynesboro, Pa.; grinding machines; \$631,000.

J. Laskin & Sons Corporation, Milwaukee, Wis.; processing of sheep shearings; \$90,000.

Lawson Machine & Tool Co., Malden, Mass.; aircraft engine parts; \$117,000.

LeTourneau Co. of Georgia, Toccoa, Ga.; machining of shells; \$3,000.

R. G. LeTourneau, Inc., Peoria, Ill.; earth-moving machinery; \$31,000.

Lockheed Aircraft Corporation, Burbank, Calif.; airplanes and spare parts; \$223,000.

The Locomotive Finished Material Co., Atchison, Kans.; projectile hoists; \$146,000.

M. & M. Wood Working Co., Portland, Oreg.; fir plywood; \$291,000.

Merz Engineering Co., Indianapolis, Ind.; machine tools; \$166,000.

Metakloth Co., Inc., Lodi, N. J.; dyeing of army ducks; \$10,000.

The Monarch Machine Tool Co., Sidney, Ohio; metal working lathes; \$15,000.

Monsanto Chemical Co., St. Louis, Mo.; phenol (carbolic acid); \$435,000.

Morrow Milling Co., Carthage, Mo.; storage of grain; \$15,000.

The Nashville, Chattanooga & St. Louis Railway, Nashville, Tenn.; transportation; \$27,000.

National Broach & Machine Co., Detroit, Mich.; gear shaving, lapping, measuring, grinding and testing machines; \$42,000.

National Tube Co., McKeesport, Pa.; shell forgings and unloaded shells; \$103,000.

Newport News Shipbuilding & Dry Dock Co., Newport News, Va.; aircraft carriers and light cruisers; \$84,000.

Northern Pacific Railway Co., St. Paul, Minn.; transportation; \$5,000.

The O. K. Tool Co., Inc., Shelton, Conn.; machine tools; \$20,000.

Ohio Crankshaft Co., Cleveland, Ohio; processing of crankshafts; \$157,000.

The Ohio Knife Co., Cincinnati, Ohio; machine tools and parts; \$161,000.

Olmsted & Stiles, Inc., Inglewood, Calif.; machining and fabricating of aircraft parts and accessories; \$9,000.

Omaha Elevator Co., Omaha, Nebr.; storage of grain; \$55,000.

Optical & Film Supply Co., Inc., New York, N. Y.; binoculars; \$41,000.

Oregon-Washington Railroad & Navigation Co., Omaha, Nebr.; transportation; \$45,000.

F. H. Peavey & Co., Minneapolis, Minn.; storage of grain; \$106,000.

The Pennsylvania Railroad Co., Philadelphia, Pa.; transportation; \$14,000.

Phelps Dodge Copper Products Corporation, New York, N. Y.; shipboard cable; \$176,000.

Portland Pipe Line Co., New York, N. Y.; pipe line transportation of crude petroleum; \$5,730,000.

Pressed Steel Car Co., Pittsburgh, Pa.; forging of shells; \$93,000.

N. Ranshoff, Inc., Cincinnati, Ohio; machinery for processing ammunition components; \$24,000.

The Reid-Avery Co., Baltimore, Md.; electrodes and molybdenum; \$50,000.

Robins Dry Dock & Repair Co., Brooklyn, N. Y.; building, repairing, and reconditioning of vessels; \$4,287,000.

Romwel Products, Inc., Mystic, Conn.; primers and clips; \$45,000.

Roth Manufacturing Co., Chicago, Ill.; steam generators, hot water heaters, portable evaporators and showers; \$96,000.

Royersford Foundry & Machine Co., Inc., Royersford, Pa.; drill presses and steel pads; \$5,000.

St. Louis Flying Service, Inc., Robertson, Mo.; training of pilots; \$27,000.

St. Regis Paper Co., Tacoma, Wash.; sulphate wood pulp; \$1,075,000.

Sainte Claire Tool Co., Detroit, Mich.; tools, dies and jigs; \$72,000.

Seattle Steel Co., Seattle, Wash.; steel reinforcing bars; \$78,000.

Semet-Solvay Co., New York, N. Y.; by-products of coal and coke; \$98,000.

Shawnee Milling Co., Shawnee Okla.; storage of grain; \$55,000.

Sheffield Steel Corporation, Kansas City, Mo.; ingots; \$400,000.

Sinclair Refining Co., New York City, N. Y.; gasoline; \$3,300,000.

The Solvay Process Co., Syracuse, N. Y.; chemicals; \$631,000.

Southern Kraft Corporation, New York, N. Y.; sulphate machine dried pulp; \$5,666,000.

The Southwest Grain Co., Hutchinson, Kans.; storage of grain; \$16,000.

Spartan Aircraft Co., Tulsa, Okla.; training of pilots; \$61,000.

Standard Oil Co., Louisville, Ky.; storage tanks for gasoline; \$42,000.

Steel Improvement & Forge Co., Cleveland, Ohio; aircraft parts; \$93,000.

Stewart-Warner Corporation, Chicago, Ill.; bomb fuzes and metal fuze components; \$4,000.

Tampa Shipbuilding Co., Inc., Tampa, Fla.; destroyer tenders; \$2,256,000.

Tennessee Coal, Iron & Railroad Co., Birmingham, Ala.; forging of shells; \$434,000.

Texas & New Orleans Railroad Co., Houston, Tex.; transportation; \$3,000.

Texasteel Manufacturing Co., Fort Worth, Tex.; forging and machining of shells; \$85,000.

Tietjen & Lang Dry Dock Co., Hoboken, N. J.; repairing, converting, and reconditioning of naval vessels; \$39,000.

Twin Disc Clutch Co., Racine, Wis.; clutches; \$17,000.

Union Twist Drill Co., Athol, Mass.; taps, dies and drills; \$78,000.

United Aircraft Corporation, East Hartford, Conn.; aircraft propellers and parts; \$949,000.

United Drill & Tool Corporation, Chicago, Ill.; drills, reamers, and punches; \$324,000.

United Gas Pipe Line Co., Shreveport, La.; natural gas service; \$409,000.

United States Gypsum Co., Chicago, Ill.; roof decks; \$28,000.

U. S. Machine Corporation, Lebanon, Ind.; shell machining; \$5,000.

Van Dusen Harrington Co., Minneapolis, Minn.; storage of grain; \$115,000.

The Wellman Engineering Co., Cleveland, Ohio; designers and manufacturers of heavy equipment for steel mills, railroads, etc.; \$23,000.

Winter-Truesdell-Diercke Co., Minneapolis, Minn.; storage of grain; \$5,000.

Higher schedules issued for cotton cloth and yarn

Amended schedules reflecting upward adjustments in ceiling prices on cotton grey goods and combed cotton yarn were issued July 21 by OPACS.

The revisions, made by OPACS because of increased costs in the industry, followed meetings the previous week with a representative group drawn from the cotton textile advisory panel.

In the combed cotton yarn schedule, 3 cents a pound was added to the ceiling price for single-ply in all counts and 1 cent a pound to the maximum price for two-ply in all counts.

Broadcloth ceiling

Adjusted ceiling price for print cloth and carded broadcloth is 43 cents a pound; combed broadcloth is raised to a maximum of 61 cents a pound, and three classes of sheetings to 35½ cents, 36½ cents, and 38 cents a pound.

Part-waste osnaburgs are divided into two classes in the amended schedule. Cloth made of yarns numbered up to and including 9s are assigned a maximum price of 29 cents a pound and cloth made of yarns above 9s a ceiling price of 32 cents. Top price on tobacco cloth is raised to 46 cents.

Premium for extra quality

Recognizing established trade custom, the amended schedule allows a premium of 1 cent per pound above ceiling prices to be charged for fabrics made with "feeler motion," which assures better than ordinary quality. In addition, a further premium of 1 cent per pound may be charged for fabrics of shade cloth quality.

Adjusted ceiling prices on cotton grey

goods are made effective as of June 30, 1941. Contracts entered into prior to June 30, 1941, for the sale of cotton grey goods at prices higher than the original ceiling prices, but lower than the new maximums, may be carried out in accordance with their terms. No deliveries may be made, regardless of contract terms, at prices higher than the new ceiling prices without prior approval by OPACS.

Amended schedule of combed cotton yarn ceiling prices was effective July 21.

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DCB procures added radio frequencies for pilot training

At the request of the Chief Signal Officer of the Army, the Defense Communications Board, through James Lawrence Fly, chairman of the DCB and the Federal Communications Commission, has obtained FCC action to clear additional radio channels for the Army's pilot-training program.

Instruction of thousands of additional military aircraft pilots at new fields throughout the United States involves direct radio communication between instructors on the ground and fledgling birdmen in the air. A 100-kilocycle band formerly assigned to amateur use will be made available for this important national defense function on September 1, and additional frequencies will be turned over to the airmen as needed during the following months, until a 300-kilocycle band has been assigned.

Amateur radiotelephone networks and other organized amateur services will be granted additional developmental privileges in other existing amateur portions of the spectrum not needed for defense services.

HOUSING . . .

1,700 defense homes completed in week; 3,306 put under construction contract

More than 1,700 defense homes were completed the week ended July 19, making an average of over 1,700 completions a week since the first of July, C. F. Palmer, Coordinator of Defense Housing, announced.

3,306 put under contract

Completions are reported at Hamilton Field, Calif., with 170 homes; Stockton, Calif., with 100 homes; and Fort Dupont, Del., with 20 homes; all constructed by the Public Buildings Administration for enlisted personnel. The United States Housing Authority also reported completion at Birmingham, Ala., of 150 homes, and at Nashville, Tenn., of 150 homes; both for civilian workers.

In addition, 3,306 homes were placed under construction contract in the week. Among these were 1,000 homes put under construction by the Federal Works Agency for civilian industrial workers at San Diego, Calif.; 992 at Vallejo, Calif.;

and 450 at Mifflin, Pa. The United States Housing Authority has put 300 under construction at Norfolk, Va., for industrial workers, and the Public Buildings Administration 200 at Pine Camp, N. Y., for both civilian and enlisted personnel.

Under the temporary shelter program, 200 trailers were completed for civilian workers at Baltimore, Md., and 400 more placed under construction contract, to be used as "stop-gap" housing at Kingsbury, Ind.; Burlington, Iowa; Jacksonville, N. C.; and Ravenna, Ohio.

22,627 completed in all

In addition, 248 dormitory units for single men were contracted for at Portsmouth, Va., to house civilian workers employed in the shipbuilding industry.

So far, the Division of Defense Housing has allocated 107,643 homes in 170 localities of 49 States and Territories. Of this number, 74,617 have been placed under construction contract, and 22,627 have been completed.

90 percent mortgage insurance approved for 21 more localities

President Roosevelt July 24 approved 21 new localities in which homes may be financed under the 90 percent mortgage insurance provision known as Title VI of the National Housing Act, upon the recommendation of C. F. Palmer, Coordinator of Defense Housing.

For \$1,800 to \$3,000 salaries

The housing which is expected to be made available through this legislation is intended to alleviate shortages of housing in defense areas. Workers whose earnings amount to \$1,800 or \$3,000 annually can, economically, buy or rent the moderately priced homes built under this title.

Needs found greater than authorization

Mr. Palmer recommended that, pending further determination, this financing method should not be utilized by any community to an extent exceeding needs as determined for that locality by the Division of Defense Housing Coordination. The total of these needs is already greatly in excess of the number of homes which can be insured under the \$100,000,000 now authorized by the title, he said.

"Unfilled needs," said Mr. Palmer, "may be provided for through expansion of this authorization if the Congress sees fit."

The areas approved

The following are the newly approved areas and the defense activities most important in each:

Arkansas—Little Rock; Camp Robinson; shell-loading.

Florida—Panama City; air training school; Tallahassee; flying field; Valparaiso; Army air station.

Georgia—Atlanta; airfield; Fort McPherson.

Illinois—Rantoul; Army flying school.

Indiana—Evansville; ammonia.

Iowa—Des Moines; small arms ammunition.

Kentucky—Henderson; ammonia.

Louisiana—Lake Charles; magnesium; air training school.

Massachusetts—Lynn; airplane parts; electrical equipment.

Michigan—Lansing; airplane parts; ammunition components.

Mississippi—Columbus; Air base; Greenville; Air base.

Ohio—Toledo; airplane parts; tanks; shells.

Oklahoma—Oklahoma City; Air base.

Oregon—Astoria; naval air base; shipbuilding; army posts.

Texas—Freeport, magnesium metal; Vernon; Air training school; Victoria; Air training school.

Alaska—Fairbanks; Army air base.

200 homes approved for Negro workers in Buffalo, reported to have no vacancies

Construction of 200 homes for families of Negro workers in defense industries in Buffalo, N. Y., has been approved by President Roosevelt upon the recommendation of C. F. Palmer, Coordinator of Defense Housing.

A report submitted to the Coordinator by Robert R. Taylor, Racial Relations Consultant to the Division of Defense Housing Coordination, described in detail the housing situation in Buffalo as it relates to the Negro population of the city and the facts concerning extensive hiring of Negro workers in defense plants.

Although the population of Buffalo decreased slightly between 1930 and 1940, the Negro population increased approximately 5,000, or about 40 percent. Negroes have been moving into Buffalo to work in the steel mills, foundries, and other industrial plants in the vicinity.

The chief defense demand for labor in the Buffalo area is expected to come from the Curtiss-Wright Company, which will add about 12,000 workers to its plant at Cheektowaga. Estimates made in January and February indicate

a need for about 25,000 to 30,000 workers for Buffalo during 1941.

According to Howard A. Kelly, Director of the Buffalo Housing Authority, a housing survey recently completed shows that there are no vacant dwellings available for Negroes in the Buffalo area.

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President approves building of 2,865 defense homes

President Roosevelt July 24 approved construction with public funds of 2,865 homes for families of industrial workers and enlisted personnel in eight localities, upon the recommendation of C. F. Palmer, Coordinator of Defense Housing. The localities and number of homes are as follows:

Permanent.—Manchester, N. H., 85; Buffalo, N. Y., 200; Portland, Oreg., 85; Beaver County, Pa., 900; Fort Eustis, Va., 75; Seattle, 700.

Temporary Shelter.—Weldon Springs, Mo., 320; Ravenna-Warren, Ohio, 500.

TRANSPORTATION . . .

Increased lake ore movement piles stocks higher than in 1940, despite demands

Reports from the four principal ore-handling railroads through the week ended July 19 showed that they have loaded into boats at upper lake ports this season a total of 34,531,995 gross tons of iron ore as compared with 22,926,165 tons during the corresponding period in 1940, or an increase of 11,605,830 tons.

On the basis that the four roads handle 93 percent of total ore moving via the Great Lakes, as was indicated by the monthly figures through the end of June, it is estimated that through July 19 more than 37,000,000 tons of ore have been moved compared to 24,600,000 during the corresponding period in 1940.

According to the report of the Lake Superior Iron Ore Association, the con-

sumption by furnaces of iron ore to July 1, 1941, totaled 36,681,000 tons, an increase of 9,350,000 tons over the consumption during the corresponding period in 1940. Despite this increased consumption, the increased volume of movement brought about by early opening of navigation and continued maximum use of the lake fleet has resulted in a stock pile, July 1, more than 3,000,000 tons greater than on the corresponding date in 1940. In the past 2 months the ore movement has been sufficient to take care of current needs and at the same time add in excess of 4,500,000 tons each month to the stock pile, which is built up during the season of navigation to take care of needs during the winter when the lakes are not open.

Carloadings rising again, still short of June peak

Freight-car loadings during the week ending July 19 totaled 899,870, an increase of 23.1 percent over the 730,460 cars loaded during the corresponding week in 1940. While loadings increased 23,000 cars over the week ended July 12, they failed to equal the peak of 908,664 cars loaded during the last week in June.

Compared to the corresponding week in 1940, increases were recorded in all major commodities with the exception of livestock, which showed a decrease of 10.9 percent. Miscellaneous loadings, while 29.9 percent above the corresponding week in 1940, were 16,000 cars less than in the last week in June of this year. The details follow:

CARLOADINGS WEEK ENDED JULY 19

	1941	1940	Percent increase
Grain and grain products.....	61,396	53,179	15.5
Livestock.....	9,414	10,568	10.9
Coal.....	167,956	120,956	38.8
Coke.....	13,295	10,416	27.6
Forest products.....	44,774	34,315	30.5
Ore.....	81,289	70,914	14.6
Merchandise l. c. l.....	154,680	147,941	4.6
Miscellaneous.....	366,566	282,141	29.9
Total.....	899,370	730,460	23.1
Cumulative (29 weeks).....	22,362,456	19,018,947	17.6

↓ Decrease.

Use of public cold storage 10 percent over July 1, 1940

Figures recently released by the Department of Agriculture, Agricultural Marketing Service, show in 200 public refrigerated warehouses reporting on July 1, vacant space totaling 50,000,000 cubic feet, of which 37,000,000 cubic feet is cooler and 13,000,000 cubic feet is freezer space. This shows an occupancy of 57 percent in cooler and 70 percent in freezer and 61 percent in combined refrigerated space.

Comparisons follow:

	Percent occupied			
	July 1941	June 1941	July 1940	June 1940
Cooler.....	57	53	52	45
Freezer.....	70	63	65	58
Combined.....	61	56	56	49

Stocks of refrigerated products showed important changes from July 1, 1940, as follows:

Frozen Fruits.....	Off 1½ million pounds.
Frozen Vegetables.....	Up 4 million pounds.
Butter.....	Up 39½ million pounds.
Cheese.....	Up 27½ million pounds.
Shell Eggs.....	Off 1 million cases.
Frozen Eggs.....	Up 28 million pounds.
Frozen Meat.....	Up 124½ million pounds.
Lard.....	Up 61 million pounds.

Motor truck tonnage for June third greater than year ago

Following the seasonal trend of previous years, the volume of revenue freight transported by motor truck in June declined 2.7 percent under the record-breaking movement in May, but represented an increase of 35.3 percent over the volume transported in June 1940, according to reports furnished to Ralph Budd, Transportation Commissioner, by the American Trucking Associations.

The decrease in June, as compared with May, was due partly to a labor strike that tied up truck operations in the Pittsburgh area throughout the month.

41 States report

Comparable reports were received from 220 motor carriers in 41 States. The reporting carriers transported an aggregate of 1,700,451 tons in June, as against 1,748,429 tons in May, and 1,256,432 tons in June 1940.

More than 77 percent of all the freight transported in the month was reported by carriers of general freight. The volume in this category decreased 3.3 percent under May, but held 36.7 percent over June of the previous year.

Petroleum products show increase

Transporters of petroleum products, accounting for almost 8 percent of the total tonnage reported, showed an increase of 5.1 percent over May, and an increase of 15.1 percent over June 1940.

Movement of new automobiles and trucks, constituting almost 6 percent of the total tonnage, declined 7.9 percent in June, as compared with May, but held 52.9 percent over June of last year.

Iron and steel up 61 percent

Haulers of iron and steel products reported a little more than 4 percent of the total tonnage. The volume of these commodities showed a slight increase of 0.4 percent over May, and an increase of 61.5 percent over June 1940.

A little more than 4 percent of the total tonnage reported was miscellaneous commodities, including tobacco, milk, textile products, building materials, coal, cement, and household goods. Tonnage in this class decreased 2.5 percent under May, but held 14.6 percent over June of last year.

CIVILIAN DEFENSE . . .

LaGuardia tells first civilian defense trainees of the job ahead of them

Speaking July 11 before the first graduating class in the special defense training course for police and fire officers at Edgewood Arsenal, Md., (See DEFENSE, July 15), Director F. H. LaGuardia, Office of Civilian Defense, declared: "It is our job to protect the people of our cities and of our States. We do that in case of fire or disease, we afford police protection and health protection. On top of this has come this new responsibility, and that is to give protection to the civilian population in the event our country is attacked or becomes engaged in war."

Further excerpts from Mayor LaGuardia's address follow:

When you return to your homes to resume your duties you will have the responsibility not only of training your own department, but also training the auxiliary forces that will be enrolled and that we find necessary to supplement existing fire departments, and in making up our air raid warden service.

Can't localize war

Every one of you will be confronted with this question: "Why is this all necessary? Does the Army expect our towns to be bombed and attacked?" Of course, the answer is that we do not expect to be attacked or bombed tonight—or tomorrow—or the day after tomorrow, but that this specialized and highly technical training that you have taken is necessary today in view of existing conditions and in the face of an entirely new technique of war.

The technique of attack has changed, ships have been built larger, the range of guns has increased. And now, with the advent of aviation, there is no longer any such thing as localizing war, and about the safest place to be in is a first-line trench.

You and I are just city officials, and we have nothing to do with shaping the foreign policy of our Government. It is our job to protect the people of our cities and of our States. We do that in case of fire or disease, we afford police protection and health protection. On top of this has come this new responsibility, and that is to give protection to the civilian population in the event our country is attacked or becomes engaged in war.

All this is new to us, and it is going to take time, first, to have the necessary training in the permanent departments of our cities, and then to educate the people of our cities to have self-imposed discipline so that they will follow instructions and obey orders in the event of an attack.

In addition to that, every city and community will have to obtain necessary equipment, and no city has that equipment today.

We have taken an inventory based upon the experience of the English cities. We know that we should train an auxiliary fire-fighting force from three to five times the number of the permanent professional fire force.

These auxiliary companies will have to be equipped with portable pumpers placed at strategic points, and other necessary equipment that has been tried and found necessary in the English cities. No city in this country and no State that I know of, has available at this moment the money with which to buy the equipment that is necessary. And even if we did have the money, the equipment does not exist.

To standardize equipment

We must also agree on the type of apparatus needed. We are now in consultation among the cities concerning the best type of equipment that can be obtained, again based on English experience, in order to have uniform specifications and uniform equipment all through the country.

It is my intention, as soon as this inventory is completed—and I have conferred with all of the Mayors of the country and with a great many of the Governors—to present the matter to Congress and to seek to have Congress provide for all the additional emergency equipment that is required.

We estimate that it will take from a year to a year and a half to provide all of this necessary emergency equipment. In the meantime, we can train our auxiliary fire forces.

Now, when I talk about auxiliary fire forces, I mean companies that will be stationed in the zone of each engine company and will move out on call to fight fires. That does not include the spot

firefighter, the incendiary bomb spotter. That will be enrolled in the air raid warden service. In all likelihood, in your respective cities you will have the responsibility of training this part of the air raid warden service.

Must have undivided command

There is another problem that will present itself to you in your respective cities.

I have conferred with the heads of most of the national organizations, and they understand the necessity of complete, undivided command and discipline in these auxiliary forces. Therefore, these organizations can help you in enrolling your personnel. They can help in some of the training. For instance, the Red Cross in many localities will continue its courses in nursing and first-aid and rescue work, on a standard approved by the Office of Civilian Defense. But when their members report for duty to the regular establishments of the city, they lose their identity as members of any specific organization, and become members of the auxiliary fire force or of the air raid warden service.

Now, the Departments of the cities are the logical departments or agencies to take over this emergency and protective work. The fire departments, of course, are trained to fight fires, and the auxiliary force necessary to meet an emergency is under the direct command of that fire department and becomes a part of it when in action. Where, as in the larger cities, you also have your air raid warden service separate from the fire department, then the Commissioner of Public Safety, or the Police Commissioner or Chief, as the case may be, assumes command.

Clearance and repair service

When we come to clearance, removal of debris, rescue of people out of demolished or shattered buildings, those squads do not move until they get the clearance. Your public works department or whatever corresponds to that, your street repair department, your water supply department, must all be merged along with your utilities, the telephone and gas companies—into your clearance and repair service.

Your health department comes very close to these repair squads, because if your sewer is in close proximity to your water main and they are both broken, then your health division must come

right in and see that there is no contamination.

You will find that organizing your repair squads will not be difficult because every city and every community has a pretty good nucleus in their road repair, street repair, water supply and sewer departments.

Your medical divisions are entirely separate, and your health officer or head of the hospital system or senior medical officer would take charge of that. There will be men and women who are trained in first-aid among the air raid wardens.

Now, it is a big job, men. There is much detail to it, and you have had the advantage now of special instructions in a highly specialized and technical branch of civilian protection.

Provide "passive defense"

If the enemy gets by our bases, our Army and our airforce, all we can do is to provide passive defense, that is, to protect the people with no means at all of fighting back. One of the most important parts of our work is gradually but persistently to train the civilian population to the necessity of cooperating and following instructions.

Your building departments will classify the buildings in your cities so that the residents of each house will know just exactly what part of the building to go to. The clearance of streets immediately following the first alarm is necessary, and everybody must be off the street.

We do not contemplate at this moment the building of shelters. Judging from the English experience, shelters are being used less and less, although the intensity of the bombing has increased. In every plant you should train the air raid warden for that plant and fire protection. Every plant must have its own emergency squads in addition to your regular city-wide service, so that among their own people they can provide the first protection. If the plant or factory is running 24 hours a day, there should be 3 shifts of men and women trained to do this work. If it does not operate at night, then among its employees living in the vicinity of that plant there should be some who are trained and disciplined to report for the protection of that particular plant or factory, in the event of an attack.

Instructions will come from Washington

Uniform instructions and manual of procedure will be provided from the Washington office. Naturally, in all the instructions that come from Washington or from your Civilian Defense Direc-

BASIC AND ARMBAND INSIGNIA FOR ENROLLED VOLUNTEER WORKERS IN CIVILIAN DEFENSE



OFFICIAL INSIGNIA in red, white and blue, for volunteer workers to be enrolled under the OCD program, were adopted July 24 at the first meeting of the Volunteer Participation Committee. The basic design appears on a button, the others on arm bands. Developed by Charles T. Coiner, consultant on design to the Division of Information, OEM, the insignia were devised after a study of designs and colors that provided the greatest visibility under adverse conditions. Many were tried out in buildings wrecked by fire, and in crowds.

tor in your particular corps area, or from your State Council of Defense or local council of defense, remember they should be adjusted to local conditions.

And now, as you go home, please bear in mind that this is only precautionary, just the same as the precautionary meas-

ures that the health departments and police departments provide. The health department provides measures against epidemics, not because we expect to have epidemics, but because we must be ready should they come. The same is true in your work of civilian defense.

President tells volunteer committee to interpret defense policies to people

Members of the Volunteer Participation Committee of the Office of Civilian Defense, named last week by President Roosevelt, met Thursday, July 24, at the White House on the invitation of Mrs. Eleanor Roosevelt. Mayor F. H. LaGuardia, Director of the Office of Civilian Defense, presided at the day-long conference.

Members of the committee were addressed by President Roosevelt at a preliminary session. The President explained that he expected the committee members to interpret the Administration's defense policies to the people in their respective areas. Mr. Roosevelt said he was not concerned with the formalities of procedure but that he expected results from the members of the committee and that he would hold them accountable.

Committee functions

Mayor LaGuardia outlined the functions of the committee as follows:

To act in an advisory capacity to the Office of Civilian Defense in formulating policies affecting volunteer participation; to act, within their respective areas, in advising the regional directors of the Office of Civilian Defense in formulating policies governing civilian participation in their respective regional areas.

Members of the committee heard addresses by Mrs. Roosevelt; Dr. George Baehr, Chief Medical Officer of the Office of Civilian Defense; Mrs. Anna Rosenberg, of the committee; and Paul V. McNutt, Administrator of the Federal Security Agency and Coordinator of Health, Welfare, and Related Defense Activities.

Mayor LaGuardia explained to the committee members that the functions of the Office of Civilian Defense were divided as follows:

1. A *Board for Civilian Protection* representing Federal, State, and local governmental agencies, charged with the responsibility of planning measures designed to afford adequate protection of life and property in the event of emergency.

2. A *Volunteer Participation Committee*, composed of forty-five persons, five from each of the nine regional civilian defense areas which are coterminous with the War Department Corps Areas. This committee is to advise the U. S. Director of Civilian Defense in the development of plans and activities designed to sustain national morale and to provide opportunities for constructive civilian participation in the defense program.

Have no administrative authority

While these advisory bodies are to assist in the development of plans and programs for the Office of Civilian Defense, they are not charged directly with administrative responsibility. The administrative authority in the development of the program resides—first, in the U. S. Director of Civilian Defense; secondly, in the regional directors of Civilian Defense, appointed by him, of whom there are nine, one assigned as director of each of the nine regional civilian defense areas. The regional civilian defense areas are the first contact of the national office in the field with the States and, normally, through the States, with localities.

The Volunteer Participation Committee will serve at the national level to

advise the U. S. Director of Civilian Defense in the formulation of policies. Within their own regions they will function in a similar capacity with the regional directors.

As specific programs which require use of volunteers are developed by the national office, they will be made available through the regional directors to the States and to the localities. These plans will include programs for the training and use of volunteers in connection with such civilian protection enterprises as police and fire auxiliaries, emergency medical services, training of air-raid wardens, and the like. They will also include programs having to do with giving to citizens generally an understanding of the entire defense effort, the creation of opportunities for every man and woman and child to participate constructively in the defense program, and the sustaining of national morale. The use of these programs in any given community will have to be determined by the civilian defense leaders of the community in the light of local conditions. In making the determination of emphasis on programs in any region, members of the Volunteer Participation Committee can be particularly helpful.

Much expected of committee members

Ordinarily the members of the Volunteer Participation Committee will act on the call of the regional director of the area to which they are assigned. However, each member also has a responsibility to the U. S. Director of Civilian Defense to keep in touch with the activities in his area; to assist in the coordination of regional effort; and to keep the regional and national office informed of plans developed and progress made.

Mayor LaGuardia said he expects from each member of the Volunteer Participation Committee reports on local conditions and suggestions.

OFFICE FOR EMERGENCY MANAGEMENT

WAYNE COY, *Liaison Officer*

CENTRAL ADMINISTRATIVE SERVICES: Sidney Sherwood, *Director*.

COMMERCIAL AND CULTURAL RELATIONS BETWEEN THE AMERICAN REPUBLICS: Nelson Rockefeller, *Coordinator*.

DEFENSE AID REPORTS DIVISION: Maj. Gen. James H. Burns, *Executive Officer*.

DEFENSE COMMUNICATIONS BOARD: James Lawrence Fly, *Chairman*.

DEFENSE HOUSING DIVISION: C. F. Palmer, *Coordinator*.

HEALTH, WELFARE, NUTRITION, RECREATION, AND RELATED DEFENSE ACTIVITIES: Paul V. McNutt, *Coordinator*.

INFORMATION DIVISION: Robert W. Horton, *Director*.

NATIONAL DEFENSE MEDIATION BOARD: Wm. H. Davis, *Chairman*.

OFFICE OF SCIENTIFIC RESEARCH AND DEVELOPMENT: Dr. Vannevar Bush, *Director*.

OFFICE OF CIVILIAN DEFENSE: Fiorello H. LaGuardia, *Director*.

OFFICE OF PRICE ADMINISTRATION AND CIVILIAN SUPPLY: Leon Henderson, *Administrator*.

CONSUMER DIVISION: In charge of Harriet Elliott, *Associate OPACS Administrator*.

TRANSPORTATION DIVISION OF THE ADVISORY COMMISSION: Ralph Budd, *Commissioner*.

OFFICE OF PRODUCTION MANAGEMENT:

COUNCIL

William S. Knudsen, *Director General*, Sidney Hillman, *Associate Director General*, Secretary of War Henry L. Stimson, Secretary of the Navy Frank Knox, Secretary, Herbert Emmerich, General Counsel, John Lord O'Brien.

PRODUCTION DIVISION: John D. Biggers, *Director*.

PURCHASES DIVISION: Donald M. Nelson, *Director*.

PRIORITIES DIVISION: E. R. Stettinius, Jr., *Director*.

LABOR DIVISION: Sidney Hillman, *Director*, RESEARCH AND STATISTICS BUREAU: Stacy May, *Chief*.

DEFENSE



OFFICIAL WEEKLY BULLETIN OF DEFENSE AGENCIES IN THE OFFICE FOR EMERGENCY MANAGEMENT

WASHINGTON, D. C.

AUGUST 5, 1941

VOLUME 2, NUMBER 31

DEFENSE PROGRESS

MANPOWER

United States Army, July 31-----	1,506,500
Navy and Marine Corps, June 30--	327,000
Nonagricultural workers, June-----	38,790,000
Percent increase since July	
1940-----	9.5
Sixteen defense industries, June--	2,440,500
Percent increase since June	
1940-----	47.6

FINANCE

June 1940-June 1941 (preliminary)	
Authorized program-----	\$47,116,000,000
Contract awards-----	\$23,625,000,000
Army-----	\$9,333,000,000
Navy-----	\$10,833,000,000
Other defense-----	\$3,459,000,000

PRODUCTION

July 1940-June 1941	
Paid on contracts-----	\$5,596,000,000
Military aircraft in June-----	1,476
Combat vessels in June-----	13
Merchant ships in June-----	9
Week ended July 26	Strikes Workers
Significant defense strikes	
in progress during week--	8 6,900
Number settled-----	2 570

AIRPLANE PRODUCTION

Airplanes produced
by military plane
manufacturers.



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Review of the Week in Defense

The Far Eastern crisis, with the cessation of imports from Japan, reacted acutely on American women last week as the OPM Priorities Division ordered all manufacturing of silk stockings and other civilian silk goods to stop.

The order was issued to preserve for military purposes silk still in the mills and warehouses. While silk stockings take about 90 percent of silk imports, the Japanese-produced fiber also is used to make parachutes and powder bags. Army and Navy officials estimated that silk stocks just equal military requirements for the next two years.

Other defense agencies moved promptly to avert sudden price rises, hoarding, and unemployment.

Women urged not to over-buy

OPACS imposed a ceiling on prices of raw silk and silk waste, ordered rayon producers to set aside 10 percent of their stock for hosiery mills. Miss Harriet Elliott, chief of the OPACS consumer division, pleaded with women not to buy more hose than necessary. To do so, she said, would be unfair.

A joint conference of labor, management, and government officials authorized Sidney Hillman, OPM Associate Director General, to set up a committee to help find defense jobs for 175,000 silk hosiery workers.

Steps to check inflation

Legislation authorizing Government control of prices and rents meanwhile was introduced in Congress after President Roosevelt in a special message had warned that "we face inflation unless we act decisively and without delay."

Hearings on the bill, which will give the President broad powers to check inflation, began this week.

Economic Defense Board created

An Economic Defense Board, with the Vice President at its head, was created by the Chief Executive as the latest defense agency. It will work closely with OPM, OPACS, and other OEM divisions.

The Office for the Coordination of Commercial and Cultural Relations Between the American Republics was re-

named the Office of the Coordinator of Inter-American Affairs. Nelson A. Rockefeller remained at the helm.

A sharp reduction in the output of radio sets was forecast as the Priorities Division allocated 110,000 pounds of aluminum to the industry for July. Most of the metal will go into repairs.

Pig iron, which like its finished product, steel, is short of defense needs, was put under full priority control. Similar restrictions were placed on chlorine, used in making smokeless powder as well as to disinfect swimming pools, and calcium-silicon, which makes steel tougher. Control of copper was tightened.

A rubber priority order was modified to avoid sudden unemployment, and ratings which will assure supplies were given makers of cutting tools, cranes and hoists, and mining equipment.

Drive to save scrap for defense

One scrapped auto—and there are 2,500,000 every year—has enough iron and steel to make a light cannon. Twenty cars have enough for a light tank. Under the sponsorship of OPM, auto wreckers and scrap dealers met in Columbus, Ohio, to map a drive for using this scrap in defense industries. Other sectional meetings are to follow.

Meanwhile, OPM Director General William S. Knudsen and OPACS Administrator Leon Henderson presided jointly at a meeting of auto makers to reconcile their differences on curtailment of passenger-car production. Further conferences were scheduled.

OPACS allowed a 5-percent rise in the wholesale price of tires but ordered an investigation. It imposed a ceiling on Douglas fir plywood, warned against tin price increases, allocated supplies for hospitals, clinics and sanatoria, allocated tinsplate and zinc oxide, used in making tin cans needed to pack the season's food crops.

Suggestions to conserve power

Anticipating a shortage in electric power for the home, OPACS' consumer division issued a list of suggestions for efficient operation of refrigerators, radios, et cetera.

The OPM Labor Division created a Priorities Branch to assure labor's influence in cushioning layoffs due to reduced automobile and refrigerator production.

Sidney Hillman backed women for defense jobs in letters to aircraft manufacturers, persuaded striking electrical workers at the Brooklyn Navy Yard to return to their jobs pending an OPM investigation of the dispute.

OCD Director F. H. LaGuardia cited the aluminum scrap campaign as evidence of public determination "to get behind the defense program."

Allocation of public funds for 2,045 defense homes, award of 1,757 contracts, and completion of 2,043 for week ending July 26 were announced by Defense Housing Coordinator C. F. Palmer.

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"Defense in Action" to be broadcast August 6

DEFENSE IN ACTION, the sixth report of the Nation's progress along defense production lines, will be presented on August 6, at 8:30-9 P. M. EST, over the Mutual Broadcasting System.

The program will present the dramatic contribution of "Women in Defense." From the Vultee airplane plant in California, Mutual's microphones will pick up interviews with women workers in the plant. From Washington, D. C., Miss Lou Schank, secretary to Senator D. Worth Clark of Idaho, will tell of women's part in aviation. Miss Schank is also an instructress at Hyde Field, outside of Washington.

Switching to Boston, Mass., Major Margaret McSweeney, of the Massachusetts Women's Civilian Defense Corps, will be interviewed on behalf of 5,000 air-raid wardens.

At the Edgewood Arsenal, outside of Baltimore, Md., the traveling microphone will interview Negro women engaged in the manufacture of gas masks. In New York City, two mothers of draftees will be interviewed.

The broadcast will close with the guest speaker of the evening, Miss Harriet Elliott, Associate Administrator of the Office of Price Administration and Civilian Supply.

DEFENSE

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Rayon allocated to silk hosiery and weaving industry to avert dislocation

Moving swiftly to avert complete dislocation of the silk hosiery and civilian silk weaving industry, now threatened by suspension of all civilian silk processing, the Office of Price Administration and Civilian Supply announced August 3 an emergency program requiring rayon yarn producers to set aside immediately an amount equal to one-tenth of their total daily output and a like amount of yarn stocks on hand, for allocation among the manufacturers of hosiery and other products heretofore made largely or wholly of silk.

70 percent for hosiery mills

It is required that the types of yarn set aside shall be those types adaptable to the manufacture of hosiery and other products normally made of silk. Of the total stocks of yarn thus accumulated, not less than 70 percent will be made available at once to hosiery mills. The remaining 30 percent will be available to manufacturers whose products have been made largely or wholly of silk or to relieve cases of undue hardship which the order may result in to present customers of the rayon industry or others.

Because of its emergency character, the present program will only apply to rayon yarn production for the months of August and September.

Advisory panel to be appointed

In the meantime, an advisory panel will be appointed by OPACS to consider such future adjustments of the program as may become necessary as rayon production increases, consumer reactions to silk substitutes are observed, and present customers of the rayon industry adjust themselves to the new conditions. On this panel will be represented the rayon industry and its present customers the hosiery industry, employees of all industries concerned, distributors and retailers of all the products involved, and the consuming public.

Total present capacity of the rayon industry is not sufficient to satisfy the aggregate requirements of defense and civilian industries, plus the new overnight demand that has arisen from hosiery mills and others now cut off from all raw silk supplies.

Allocation the only alternative

Hence, imposition of an allocation program on rayon yarn producers was

decided upon by OPACS as the only alternative to the widespread unemployment and economic dislocation that inevitably would result were the manufacturers of silk hosiery and other types of civilian silk goods forced to suspend operations.

Conferences held

Conferences with hosiery manufacturers and rayon producers, at which all aspects of the silk shortage problem were explored, have been held by OPACS during the past several days. These meetings developed information that (1) rayon yarn is the only substitute for silk in hosiery manufacture immediately available in the necessary quantities and sizes; (2) distress caused by allocation of a proportion of the production of rayon yarn to hosiery mills and other users of silk would by no means be as severe as that which would follow the compulsory closing of virtually every hosiery mill in the country, and (3) mechanical problems surrounding substitution of rayon for silk can be readily solved by hosiery manufacturers.

The allocation program will be administered by the Office of Production Management.

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WOMEN should consider that stocking up heavily on stockings isn't fair, says Harriet Elliott, OPACS Associate Administrator in charge of the Consumer Division.—Page 17.

SHEER COTTON stocking designs in great variety have been developed by the Department of Agriculture.—Page 20.

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Defense Supplement to carry full texts of all orders

As a supplement to DEFENSE, the Division of Information, Office for Emergency Management, has arranged to mail to paid subscribers, upon request, full texts of all orders and regulations of defense agencies under the OEM appearing in the FEDERAL REGISTER during any week, beginning July 24. Requests should be addressed to the Distribution Section, Division of Information, OEM, Room 5525, Social Security Building, Washington, D. C.

All processing of raw silk stopped by priority order

Moving promptly after notification from Army and Navy authorities that minimum military requirements for silk during the next 2 years will approximately equal the total stocks now in the United States, E. R. Stettinius, Jr., Director of Priorities, OPM, on August 2 ordered complete stoppage of all processing of raw silk, effective at 12 o'clock that night.

The new action was in the form of an amendment to the general preference order issued a week earlier. The amendment directs that:

"No person shall after 12 o'clock midnight on Saturday, August 2, 1941, throw, spin, or otherwise process raw silk, unless specifically authorized by the Director of Priorities."

The previous order had the effect of prohibiting movement of raw silk from warehouses to mills. This amendment prohibits any processing of raw silk, even by mills which have the raw silk in their possession. A mill which possesses any thrown silk—silk in the semiprocessed state, ready for weaving or knitting—may use up the stocks which it possesses. Aside from that, and from such mills as may obtain specific permission to operate in order to fill Army or Navy contracts, there can be no further silk manufacture for civilian purposes under present conditions.

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Ceilings set on principal grades of raw silk, silk waste

Ceiling prices on the principal grades of raw silk and silk waste, based on quotations that prevailed on July 21, 1941, are established in Price Schedule No. 14, announced August 2 by OPACS Administrator Henderson.

No provision is made in the schedule for completion of existing contracts on the spot market or liquidation of open positions on the Commodity Exchange, Inc., New York, at higher than maximum prices. These problems will be considered by OPACS when the exact procedure that other agencies of the Government will follow to obtain silk supplies for defense needs has been worked out.

Maximum price for the basic grade of raw silk, known as D Grade, 13/15 denier, is set at \$3.08 per pound. Other grades, weights, and types are priced in relation to this basic grade.

LABOR . . .

Committee of U. S., labor, industry urged to relieve silk workers forced from jobs

On August 1, prospective closing down of all silk production for civilian uses (which was ordered the next day) brought from a joint conference of labor, management, and Government officials a proposal that Associate Director General Hillman, OPM, appoint a committee representing industry, labor, and Government to survey the acute situation and take remedial action through the Government.

The conference, attended by 75 labor leaders, both CIO and AFL, and representatives of the various branches of silk processing and weaving industries, unanimously approved a plan suggested by Emil Rieve, president of the United Textile Workers Union, asking Mr. Hillman to appoint the committee.

Eli L. Oliver, chief labor adviser of the Labor Division of OPM, who presided over the meeting, said he expected Mr. Hillman to take quick action on the request.

Union chief urges more synthetics

Substitution of synthetic fibers for Japanese silk, which has been entirely cut off by the Pacific crisis, and a substantial increase in the production facilities for rayon, nylon, and the other synthetics, are major features of Mr. Rieve's plan. The plan also includes specific proposals for shifting displaced silk workers into defense jobs, and providing relief for them during the transition period. There are 175,000 workers in the industry.

Mr. Rieve estimated that the synthetic-fiber industry, which is now producing to near capacity, would have to increase its production by 45,000,000 to 50,000,000 pounds a year. Current production of these fibers is 476,000,000 pounds annually, and from 35,000,000 to 50,000,000 pounds of raw silk have been imported annually in recent years.

Earl Constantine, president of the National Association of Hosiery Manufacturers, and other management representatives supported the Rieve plan in general.

Frank Walton, chief of the Textile Branch, Division of Purchases, OPM, told the conference that a complete inventory has been taken of all silk supplies in the United States and that the figures will

be tabulated soon. A parallel study is being made, he said, to determine probable requirements of the Army and Navy, and amounts that will be needed under the Lend-Lease Bill.

OPACS aid promised

Every possible assistance in increasing production of synthetic fibers was promised by Paul O'Leary, of the textile section. Leading producers are strongly disposed to expand productive capacity, he said, provided they can get the necessary material and equipment; they have been asked by OPACS to show exactly what is needed, so that steps can be taken to make the needed materials available.

William Leader, of the American Federation of Hosiery Workers, said some of the 10,000 silk workers in his region were already "on the streets." He emphasized that many of them could be placed in defense industry jobs, and said that 3,500 members of his union in Philadelphia had been placed in defense industries in the last year.

A. F. Hinrichs, acting chief of the Bureau of Labor Statistics, announced that the Bureau will ask for employment reports from plants in this industry by telegraph, and will ask employers for permission to use such information with other Government bureaus and agencies in planning for relief and job transfers.

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Committee urges rubber allocation by plants

The labor defense advisory committee for the rubber industry proposed July 30 to the Office of Production Management a change in allocation of rubber supplies, which will be endangered and possibly reduced by the current Pacific crisis, in order to avoid unemployment and other economic hardships in some production centers.

The committee declared that supplies should be allocated on a plant-by-plant basis, as well as on the current company-by-company basis. Otherwise, it was declared, parent companies may make allocations which will cause undue labor displacement and distress in some areas.

Priorities Branch created to administer U.S.-labor effort against unemployment

Associate Director General Hillman, OPM, together with AFL, CIO, and R.R. Brotherhood leaders, has laid down a broad-gaged policy by which the labor movement can cooperate with the Government in preventing lay-offs and other dislocations as production is cut in nondefense industries such as automobiles and refrigerators.

These cuts are necessary because the raw materials that go into automobiles and refrigerators—steel, zinc, nickel, and chrome, plus many others—are needed for planes and tanks and battleships.

Priorities Branch set up

Mr. Hillman has set up a Priorities Branch in the Labor Division of OPM to administer this program. Labor is represented by Matthew J. Burns of New York, for the AFL, and R. R. Brooks, of Massachusetts, for the CIO.

"There is room for unlimited initiative on the part of labor leaders in working out ways to prevent dislocations," Mr. Hillman said. "These are some of the things you, as a worker, can help us do: (1) Use your influence to help in the program to increase the number of subcontractors to keep the firms affected by priorities operating. (2) Suggest any ideas you have about substitutes that might be used for the raw materials we need so badly. (3) Work with us in increasing the number of schools for retaining workers who must find jobs in new industries. (4) Help manufacturers whose production will be cut to adapt their machines and factories to defense work."

Suggestions should be sent from locals to the national offices of the AFL, CIO, or Brotherhoods, Mr. Hillman said. Then the national office will send them to its representative in the Priorities Branch.

The Priorities Branch is the third major agency set up by Mr. Hillman in the last two weeks to give labor a greater share in control of the defense program. The other two new units of the Labor Division of OPM are the Labor Defense Advisory Committees for each industry, and the Labor Supply Branch, which is set up to see that there is no shortage of skilled labor.

MEDIATION BOARD . . .

Three disputes settled; Board starts new week with no strikes or lockouts

For the first time since its establishment four and a half months ago, the National Defense Mediation Board starts a week with no strikes or lock-outs. Settlement of three strikes last week cleaned the Board's slate of defense stoppages. The record piled up since the Board's creation March 19 now reads: In all 58 cases certified, involving 728,306 workers, men have either returned to work as a result of settlements or postponed threatened strikes at the request of the Board.

The three strikes settled last week were those at the American Potash and Chemical Company, Trona, Calif.; Air Associates, Inc., Bendix, N. J.; and Gulf States Utilities Co., Baton Rouge, La.

Changes in Board personnel

During last week, two new changes in the Board's personnel were announced. Charles E. Wyzanski, Jr., Boston attorney, was appointed a regular member of the Board to replace C. A. Dykstra, former Board chairman, who became an alternate public member. Mr. Wyzanski had been serving as an alternate public member since April 4. Walter T. Fisher, Chicago attorney, was appointed an alternate public member of the Board, bringing the total of regular and alternate public, employer, and employee members to 30.

Western Cartridge Co.

At the request of the Western Cartridge Co., East Alton, Ill., the Board on Monday, July 28, postponed for one day its deadline for receiving an acceptance or rejection of its recommendations in the dispute between this company and the Chemical Workers Union—AFL.

On July 29, after a long conference between representatives of the company, Panel Chairman Charles E. Wyzanski, Jr., and Dr. Frank P. Graham, acting chairman of the Board, the company filed the following memorandum with the Mediation Board:

"The Companies accept the recommendations of the National Defense Mediation Board with the exception of the recommendations regarding wages and vacations. Both the Companies and the Union join in requesting that instead of arbitration, the parties be given an opportunity by collective bargaining to adjust their differences on these points.

"In accepting these recommendations, the Companies proceed on the basis of the understandings which they and the Union have worked out in conferences yesterday and today with respect to the cancellation of

individual contracts and with respect to the seniority clause."

Accordingly, negotiations on wages and vacations between the company and the union opened in East Alton, July 31.

Air Associates, Inc.

The panel of the Board which heard the dispute between Air Associates, Inc., of Bendix, N. J., and the United Automobile Workers of America—CIO, met July 29, to consider the company's answer to the Board's recommendations. Following this meeting, the panel issued a "supplement to and clarification of those recommendations." The company had raised two points with regard to the Board's recommendations of July 23. In the first place, it pointed out that the National Labor Relations Board, subsequent to the Board's recommendations, had issued a formal complaint covering the question of back pay for 24 employees allegedly discriminated against. The Board had recommended that this question of back pay be arbitrated. In its clarification, the Board stated that this new development made the back pay automatically subject to the decision of the NLRB. The second point raised by the company concerned the Board's recommendation that all issues not settled by collective bargaining by August 9 be submitted to arbitration. The company said that it did not want to commit itself to such a course of action prior to August 9. Since, under the terms of the Executive order creating the Board, arbitration, to become operative, must be accepted by both parties to a dispute, the Board recommended the following:

"The Board sets the date of August 9, 1941, as a reasonable time in which negotiations can be concluded. The period for negotiations may be extended by mutual agreement of the parties. Such issues as are not agreed to between the parties may be submitted to arbitration by mutual agreement of the parties. The Board appoints Professor Harry Shulman, Sterling Professor of Law, Yale University, to serve as arbitrator for such purposes. Issues on which no agreement is reached and which are not submitted to arbitration shall be the subject of a prompt and thorough investigation by Professor Shulman. Following such investigation, he shall make his report to the National Defense Mediation Board and the Board will issue formal recommendations."

This clarification was immediately accepted by both parties and work was resumed the following morning. Negotiations were opened that afternoon in New York. Lewis Gill, panel secretary, is attending these negotiations as an observer for the Board.

Gulf States Utilities Co.

Following two days of hearings, July 28 and 29, in the dispute between the Gulf States Utilities Co., Baton Rouge, La., and the International Brotherhood of Electrical Workers—AFL, a settlement was reached which resulted in a return to work the following day of 200 men on strike since July 9. The strike had been called over the question of recognizing the IBEW. The Gulf States Utilities Co. has a collective bargaining contract with an independent union. When the case was certified July 22, the Board wired the parties and requested them to refrain from any action which might result in a spreading of the strike to plants in the area engaged in pro-

duction for national defense. Both parties complied with this request. The terms of the settlement reached July 29 follow:

(1) The employees of the Company now on strike shall immediately return to work with all employment relationships unimpaired, including their classifications and seniorities.

(2) Any individual employee or group of employees shall have the right to present any grievance or grievances to the Company regarding the application of any rules or standards of employment, either in person or by any person or persons, including representatives of the International Brotherhood of Electrical Workers, when such employee or employees desire such representation.

(3) These procedures shall be effective immediately and pending a disposition of the charges of unfair labor practices now on file with the National Labor Relations Board, made by the International Brotherhood of Electrical Workers.

(4) In the event the parties hereto are unable mutually to agree to a satisfactory adjustment of any grievance or grievances referred to herein, the matter shall be taken up with the proper Federal agencies or with the Labor Division of the Office of Production Management for assistance in effecting a settlement.

John A. Roebling Sons Co.

At the request of the parties, the panel reconvened the hearing in the dispute between John A. Roebling Sons Co. and the Steel Workers Organizing Committee—CIO. A strike had threatened to break out in the company's two plants at Trenton and Roebbling, N. J., involving 6,500 workers manufacturing aircraft control cables for the Army. The Board had succeeded in settling a previous strike when the case was first certified in April. The issue at that time was recognition of the union. It was settled by the union agreeing to return to work pending the outcome of a Labor Board election which the Mediation Board asked the NLRB to expedite. The SWOC won sole collective bargaining rights in both plants as a result of this election and opened negotiations with the company over the terms of a contract. The second strike was threatened when negotiations broke down over a demand by the union for a union shop and the checkoff. At the request of the Board the strike was postponed and the parties opened negotiations before the Board on Friday, August 1. After two days the hearings were recessed until August 5.

American Potash and Chemical Co.

The four-and-a-half-month strike of the International Union of Mine, Mill and Smelter Workers—CIO, at the Trona, Calif., plant of the American Potash and Chemical Co. was ended last week when some 300 men still on strike voted to return to work. The company employs 1,300 workers, most of whom had returned to work following a company offer in late June.

The case was certified to the Board April 23. In the middle of June, at the request of both parties, the Board withdrew from the case on the understanding that arrangements would be made to end the strike's interference with defense production. Priorities were established to insure an adequate supply of borax to glass companies with defense contracts and, at the Board's request, the union loaded 40 tons of the company's products for delivery to the Navy. The main issues in the dispute were wages and union security. The strike was finally settled by a company offer of a wage increase.

PRODUCTION . . .

OPM looks to auto graveyards for million tons more scrap a year; Ohio pledges aid

Beginning an effort to convert millions of derelict automobiles into scrap iron and steel needed for defense, the Office of Production Management received from Ohio wreckers July 30 a pledge of speedier junking to double their production.

The action was decided in Columbus, at a conference of 20 Ohio wreckers who had been appointed as a committee by OPM after a preliminary convention of some 1,000 there July 25. Representatives of OPM, the Office of Price Administration and Civilian Supply, the Institute of Scrap Iron and Steel and the Scrap Iron and Steel Defense Industry Advisory Committee attended the preliminary meeting. It is expected that similar conferences in other parts of the country will follow.

Million-ton increase sought

The objective of OPM's program is to increase by at least 1,000,000 tons, and possibly many times more, the amount of scrap iron and steel produced in a year by the scrapping of worn-out automobiles. It is estimated that there are 4 to 7 million of these in "graveyards," not including motor cars on used car lots. About 2,500,000 now are scrapped annually.

One car provides enough scrap for a light cannon; 20 cars enough for a tank. Robert H. Ridgway, scrap consultant for OPM, asserted at the July 30 conference that "auto wreckers can scrap at least 50 percent more cars without in the least stripping them of parts which are all the more required to service cars now on the highways because output of new cars is being curtailed. Each car wrecked yields about 1,500 pounds of iron and steel scrap, 20 pounds of aluminum, 60 pounds of copper and brass scrap, and other valuable secondary materials."

30 million tons of scrap a year needed

R. C. Allen, deputy chief of OPM's Iron and Steel Branch, in charge of raw materials, explained at the preliminary meeting that about 30,000,000 tons of iron and steel scrap would be required annually to maintain steel ingot production at the 82,000,000-ton annual rate recorded during the first 6 months of

this year. Scrap collection must be increased about 25 percent above present levels, he said, to maintain steel production at this rate.

Three means of increasing the flow of scrap to steel mills were discussed:

1. Scrapping millions of old cars now parked in auto "graveyards," where normally they remain for years, or until all saleable parts have been sold. Auto wreckers at the preliminary Columbus meeting said they would employ additional labor to strip their old cars of parts and prepare the bodies and engine blocks for scrapping immediately.

2. Use of farmers' trucks to bring to town worn-out machinery and other scrap now lying about farmyards.

3. Encouragement of small plant owners to gather up and market scrap that in many cases has been lying about their premises for a long time.

Edward A. France, Jr., representing the Office of Price Administration and Civilian Supply, told the first meeting there would be no change in OPACS' present scrap price ceiling of \$20 per ton for No. 1 heavy melting steel scrap delivered at Pittsburgh. The ceiling price applies to scrap delivered to the mills ready for use.

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Tin consumers asked to let stocks decline

The following telegram signed by E. Vogelsang, chief, Tin Branch, Production Division, OPM, was sent to tin consumers in the United States:

Tin consumers were requested in July 1940 to assist in the general accumulation of stocks in the United States and prompt cooperative action on their part assisted this accumulation. Due to the unstable conditions of the tin market at present time preventing further acquisitions to the government stockpile the Office of Production Management now requests consumers not only to refrain from increasing their stocks but also to cease replacing their current consumption until such time as the increase acquired by them since June 1940 is reduced by one-half. Your immediate cooperation is requested.

Contract service coordinators appointed for five cities

Appointment of coordinators for the Defense Contract Service at Buffalo, N. Y., Jacksonville Fla., Little Rock, Louisville, and Seattle was announced July 27 by Robert L. Mehornay, chief of the Service.

The coordinators will be in charge of Defense Contract Service field offices at Federal Reserve Banks or branch banks in the cities named. It is expected that they also will coordinate field offices of the Priorities Division, OPM, as soon as such offices are established in these cities.

Appointees listed

The appointees:

John J. Lenahan, Buffalo. Mr. Lenahan is president of Frank Lenahan and Sons, Inc.; president and chairman of the board of the Irish American Savings and Loan Association, and president of the Excelsior Steel Ball Co.

George W. Simons, Jr., Jacksonville. Mr. Simons, a native of Portland, Oreg., is consulting city plan engineer to Jacksonville; vice president and chief engineer of the Consolidated Development and Engineering Corporation, and president of George W. Simons, Jr., and Co.

Thompson at Little Rock

Charles L. Thompson, Little Rock. Mr. Thompson is an architect and director of the Thibault Milling Co., Plunkett-Jarrell Grocery Co., Union Securities Co., Rose City Realty Co., and the Union National Bank.

Charles W. Allen, Louisville. Mr. Allen is vice president and general manager of the Belknap Hardware and Manufacturing Co.

U. M. Dickey, Seattle. Mr. Dickey, a native of Long Lake, Minn., is president of the Sound View Pulp Co., Everett, Wash.; vice president and director of the Northern Commercial Co., and director of the Marine Bank Corporation, Pacific American Fisheries, Inc., the Pacific National Bank, Seattle, the Puget Sound Power and Light Co., the Sheppard Point Packing Co., and the Smith Canning Machine Co.

The Defense Contract Service is a branch of OPM designed to help the Army and Navy spread defense work into additional factories.

States will aid in OPM plan to spread defense work, avoid labor dislocations

A plan to spread defense work more widely, both to speed up defense production and avoid industrial and labor dislocations as much as possible, was agreed upon July 31 by the Office of Production Management and a committee of the Council of State Governments.

It was agreed that each State Defense Council should designate a production committee, if it has not already done so, to work with OPM's Defense Contract Service in its effort to acquaint Army and Navy procurement officers and prime defense contractors with suitable plants that have not yet received defense contracts or subcontracts.

The Defense Contract Service now has field offices in Federal Reserve Banks and Branch Banks in 36 cities throughout the United States. The Committee on Production of the Council of State Governments advised OPM officials that similar field offices are needed in numerous other cities.

Councils to open advisory offices

In industrial centers where the Defense Contract Service does not now have field offices, State Defense Councils will open offices, manned by experienced production men, to advise and assist present and prospective defense manufacturers.

In order to decentralize the activity as much as possible, it was agreed that these additional offices should be established and financed by the State Defense Councils but should work closely with the Defense Contract Service. Locations of the offices are yet to be decided by the individual State Defense Councils.

The committee was advised that State and municipal authorities could aid the defense program by revising building codes so that satisfactory substitutes could be used in place of scarce materials needed for defense. It was agreed that sample codes would be prepared for submission to local authorities.

Essential services to get preference

The committee was informed also that early action would be taken by the Federal Government to give preference to State orders for materials needed to repair and maintain essential services, such as highways and water systems. OPM officials suggested that State Defense Councils designate someone in each State to come to Washington and receive special training in priorities matters. Persons receiving such training would then be in a position to advise State and municipal purchasing agents on the pro-

cedure they should follow to obtain necessary materials.

Those who attended the meeting with William S. Knudsen, director general of the Office of Production Management, included Frank Bane, executive director of the Council of State Governments; Governor Frank M. Dixon of Alabama, chairman of the Council's Committee on Production; Charles Jones, director of the Ohio Department of Commerce, who represented Governor John W. Bricker of Ohio, vice chairman of the committee; Clarence A. Jackson, Civilian Defense director for the State of Indiana; A. H. Stephan, chairman of the New Jersey Council of Defense, and Harold Ostertag, chairman of the New York State Joint Committee on Interstate Cooperation.

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Fabricated alloy steel for planes to be tripled

Steps are being taken to triple the supply of fabricated alloy steel for aircraft manufacture before the end of 1942, the Iron and Steel Branch of the Office of Production Management disclosed July 29.

The increased supply is to be obtained not only by expanding the steel industry's electric furnace, heat treating, and other finishing capacity, but by allocation of orders so as to obtain maximum output from present facilities.

Details of the expansion program have not yet been worked out.

In announcing the undertaking, the Iron and Steel Branch said the requirements of the aircraft industry had been determined accurately and in detail through the cooperation of the aircraft industry, the Army and Navy, the Iron and Steel Institute, and the Aircraft Branch and the Bureau of Research and Statistics in the OPM.

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H. Edgar Lewis added to Steel Industry Committee

The Bureau of Clearance of Defense Industry Advisory Committees, OPM, announced July 31 that H. Edgar Lewis, chairman of the Board and president of the Jones & Laughlin Steel Corporation, Pittsburgh, has been added to the Steel Defense Industry Advisory Committee.

Cutting tool makers get limited blanket preference

To insure an adequate supply of cutting tools vitally needed for the defense program, Priorities Director Stettinius on August 1 issued a limited blanket preference rating to approximately 100 cutting tool manufacturers.

Manufacturers granted the use of the order may apply a rating of A-1-a to deliveries from their suppliers. Provisions are made so that the suppliers may, in accordance with the terms of the order, extend the rating to their own suppliers.

The A-1-a preference rating, however, is to be used by the manufacturers only for the production of specified defense products.

Drills of all types and sizes; reamers; countersinks; counterborers; milling cutters of all sizes and types; hobs of all sizes and types; taps; high speed chasers for self-opening die heads; high-speed chasers for collapsing taps; machine broaches; and cemented carbide cutting tools of all types.

In addition, it is stipulated that the rating may only be applied to deliveries of certain specified materials set forth in exhibit A of the order. The materials to which the preference rating may be applied are high speed steel, carbon tool steel and alloy steel bars, sheets, rods, shapes, forgings and castings; cutting tools, including cementer carbides; abrasives; measuring instruments and gages; maintenance and shop supplies (restricted to items necessary for proper operation and maintenance of manufacturing equipment and facilities).

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Limited blanket rating granted for mine machinery, equipment

To facilitate the production of mining machinery and equipment, which is of crucial importance to the defense program, Priorities Director Stettinius issued July 29 a limited blanket rating to about 40 manufacturers of this equipment.

The rating provided in the order is A-3 and is applicable to all deliveries of materials which appear on the Priorities Critical List, except that when a higher preference rating has been given to some particular item, the higher rating may be applied. Provision is made for the extension of the A-3 rating to subcontractors of manufacturers granted use of the order.

PRIORITIES . . .

Pig iron put under full priority control to assure iron, steel for defense

Pig iron was put under full priority control August 1 in a general preference order signed by Priorities Director Stettinius. The order is designed as a further step by the Priorities Division to make sure that iron and steel products flow promptly to defense channels.

The order states that producers will be required to set aside stipulated quantities of pig iron each month in an emergency pool, for special allocation, and also provides that schedules of pig-iron shipments to customers must be approved by the Priorities Division.

By directing deliveries of pig iron, both from the emergency pool and in accordance with the usual priority ratings, the Director can make sure that pig iron goes to iron foundries and steel plants and other consumers in quantities necessary to fulfill defense requirements.

While the order does not constitute any additional priority control over steel, it does provide control over the pig iron which is the major part of that steel. At present, the pig iron and steel scrap used in the production of steel are divided about as follows: 56 percent pig iron and 44 percent scrap.

Steel already subject to control

Steel itself is already subject to three kinds of control. It is on the Priorities Critical List (giving Army-Navy orders priority); it is under General Metals Order No. 1 (preventing accumulation of excess inventories), and it is subject to the General Steel Preference Delivery Order No. 1, which sets up a system whereby a defense customer for steel may have his orders expedited if necessary.

The order issued August 1, therefore, is another step in this series of regulations. The new control will make it possible to do two things:

1. To see to it that foundries get enough pig iron to produce their defense orders for castings and other products.

2. To regulate the distribution of pig iron among steel plants in such a way as to make sure that all steel plants with defense orders can fill them.

Terms of the order

The pig-iron order (M-17, to "Conserve the Supply and Direct the Distribution of Pig Iron") has seven main points:

1. All defense orders (Army, Navy,

British, etc.) carry a preference rating of A-10 unless higher ratings are specifically assigned.

2. Defense orders must be accepted in preference to and given priority over nondefense orders.

3. During each month, beginning with September, each producer of pig iron must set aside a quantity to be specified by the Director of Priorities. The total amount thus set aside will form an emergency pool, out of which the Director may make allocations for the following month to meet emergency needs.

4. Beginning on August 1, any customer ordering pig iron must do so on a special form in accordance with instructions from the Director.

5. Each producer of pig iron is required to submit before the 15th of each month a proposed shipment schedule of pig iron for the following month, not including the pig iron withheld for allocation. Beginning September 1, no shipments may be made to any person unless these shipments have been approved on the schedule or unless special provisions have been made by the Director of Priorities.

6. In regulating the distribution of pig iron for nondefense purposes, the Director of Priorities will be guided by any Civilian Allocation Program promulgated by the Office of Price Administration and Civilian Supply.

7. The order contains provisions designed to prevent the building up of excess inventory.

The indicated shortage in pig iron for 1941 will range above 5,000,000 short tons, according to data of the OPM Bureau of Research and Statistics.

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Borax priorities extended

E. R. Stettinius, Jr., Director of Priorities, announced July 30 that the order imposing priority control on borax and boric acid had been extended to August 30.

The original order was made necessary by a strike at a borax plant in Trona, Calif. The strike has been settled, but the supply situation on borax has not entirely returned to normal.

Calcium-silicon put under full priority control

Calcium-silicon, used for the treatment of certain high-grade steels needed for defense production, was put under full priority control July 28 in a general preference order signed by Priorities Director Stettinius.

The order requires consumers of calcium-silicon to file reports with their suppliers when placing orders, and states that the Director of Priorities will issue instructions for the allocation of all available supplies to customers.

Only one producer

Calcium-silicon is a commercial product used in the treatment and refining of certain steels, such as steel for bearings, tool steel, and stainless steel. At present there is only one producer. This company's monthly production is considered insufficient for all defense and civilian needs.

Scheduled deliveries of calcium-silicon may be made during August as planned, but deliveries thereafter, beginning with September deliveries, can be made to consumers only in accordance with instructions from the Director of Priorities.

Defense orders for calcium-silicon must be accepted by producers in preference to nondefense orders.

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Zinc pool for August is 27 percent of June output

The emergency zinc pool for August was announced July 30 by Priorities Director Stettinius.

Producers of metallic zinc will set aside an amount equal to 27 percent of June production. For August this will amount to approximately 19,000 tons. The pool for July was 22 percent of May production.

Producers of zinc oxide will set aside an amount equal to 10 percent of June production. This pool will amount to approximately 1,714 tons.

Producers of zinc dust are not required to set aside any part of their production.

The zinc pool, provided in the order which imposes priority control on zinc, is created so that the Director of Priorities can make allocations to emergency needs whenever necessary.

75 makers of cranes, hoists given limited blanket ratings

To assure the prompt production of cranes and hoists which are vital to manufacturing plants engaged on Army, Navy, and other defense projects, Priorities Director Stettinius issued July 30 a new limited blanket preference rating to about 75 producers of this equipment.

The new order, P-5-a, takes the place of order P-5 which expired on July 31, and expands the list of materials to deliveries of which the rating may be applied.

Manufacturers of cranes and hoists, Mr. Stettinius explained, are finding it increasingly difficult to obtain the necessary materials and equipment to fabricate their products.

May apply A-1-a to expanded list

The 75 producers granted the order are permitted to apply a rating of A-1-a to deliveries of the specified materials. Provisions are included so that the producers' suppliers and subsuppliers may apply the rating to deliveries from their own subcontractors.

Defense products in the manufacture of which the rating may be used include: "cranes and hoisting equipment of the following types to be produced by the producer: bridge cranes; tramrails; chain hoists; air hoists; electric hoists; trolleys; monorail systems and trackage; locomotive, tractor, crawler and truck cranes; gantry cranes; whirley cranes; wall cranes; jib cranes; dry dock cranes; hammerhead cranes; derrick cranes; and shearlegs."

Producers and suppliers who use the rating, however, may apply it only to deliveries of the following materials:

Motors and other electrical equipment; alloy and carbon steels in bars, forgings, castings, plates, shapes, and tubes; ferrous and nonferrous castings; machine parts and equipment; cutting tools, including cemented carbides; abrasives; measuring instruments and gages; brass, copper, and steel tubing and fittings; oil-resisting hose; hydraulic bridge brakes; gasoline and diesel engines and accessories; maintenance and shop supplies (restricted to items necessary for proper operation and maintenance of manufacturing equipment and facilities); paints, lacquers, and finishing materials.

Foundry supplies consisting of: Steel rail and other steel scrap, silvery pig iron, regular pig iron, coke, ferrosilicon, ferromanganese, vanadium, nickel, molybdenum, and chromium.

Manufacturers expected to use existing inventories pending preference deliveries

In a statement designed to amplify regulations pertaining to inventory levels, Priorities Director Stettinius said July 31 that manufacturers are expected to use inventory materials on hand to begin production, while waiting for material being delivered under preference ratings, if such action will be helpful in meeting required delivery dates.

He pointed out that this practice would enable a manufacturer to speed delivery on contracts. In such cases a manufacturer may begin production, using his inventory materials, and then may replace this used-up inventory with the preference-rated materials as they arrive.

Typical case

A typical case in which such procedure would be helpful is as follows:

Suppose Manufacturer X has a defense contract on which early completion is desired. Suppose he has placed orders for material with his supplier, and has had a preference rating assigned to his order.

Since a preference rating applies usually to a specific order, some manufacturers have felt that they must wait until the ordered material had actually arrived before beginning production on the contract involved.

However, Manufacturer X may have

a sufficient quantity of the necessary material on hand, in inventory, which he could use to start production on the contract. It may save considerable time if he uses the inventory material and then, when the preference-rated material arrives in his plant, use this to replace the stock already used up.

To speed production

The purpose of the interpretation issued by Mr. Stettinius is not only to hold inventories to a minimum but to speed production. Even when an order bears a preference rating, deliveries are sometimes delayed, and there is no point in holding up a defense contract until the rated material has physically arrived in the plant if stock on hand can be used and then replaced.

In such cases, of course, the manufacturer should be sure that the quantity of material ordered under a preference rating, and used to restock inventory, is *no more than the amount which he has used to complete the order.*

Mr. Stettinius added, however, that this interpretation applied only to current production where there is definite identification of the defense item against which a preference rating has been obtained or applied for. Any effort to obtain inventory based on past consumption of material must be carried out through the usual use of the Defense Supplies Rating Plan.

Limited blanket preference to be given urgent projects

E. R. Stettinius, Jr., Director of Priorities, announced July 25 a new plan for granting limited blanket preference ratings to important defense projects.

Under the new plan, a defense project selected for such treatment will receive a blanket preference rating order which can be used to expedite deliveries of materials going into the project, so long as those materials are on the Priorities Critical list.

The new blanket rating will be carefully restricted and may be used only on projects which, in the opinion of the Division of Priorities, are essential and must be completed promptly in the interests of the defense program.

Heretofore project ratings have been handled by the issuance of letters of in-

tention. These letters authorized selected companies to negotiate with their suppliers for necessary material and equipment, with the provision that deliveries of such material would be assigned a stated preference rating.

To operate under this old system, project suppliers were required to apply for individual preference rating certificates bearing the specified rating.

The new system will eliminate most of the routine detail work. The builder who gets the rating may apply it to his deliveries by executing a copy of the order and serving it on his suppliers. Additional orders flowing into the project may be given the rating by citation of the original order and the serial number assigned to the builder. Provisions are included so that the rating may also be extended by subsuppliers. The form to be used in granting the new project rating is PD-19-a.

Chlorine put under full priority control to assure supply for powder, other uses

Chlorine was placed under full priority control July 28 in a general preference order signed by Priorities Director Stettinius. The order requires that defense orders for this important chemical be filled ahead of nondefense contracts and also stipulates that producers must accept defense orders in preference to all nondefense calls. For the present, it is not expected that the volume of defense orders will be greatly increased. Meanwhile, manufacturers are free to make other deliveries if they have sufficient capacity to do so after meeting defense orders.

All defense orders which do not bear a higher preference rating are assigned a rating of A-10, thus placing them ahead of orders bearing lower ratings or no ratings.

Principal military uses for chlorine are in bleaching cotton linters for smokeless powder, and in the chemical warfare area, including the production of gases and smoke-screen materials.

Principal civilian uses, in the chemical

industry, are for bleaching paper, for the production of dry-cleaning materials, anti-freeze compounds, and premium gasolines. About 25 percent of the production has been used recently for bleaching paper, and this use is now being restricted voluntarily by the industry.

Cut will affect color of paper

In general, chlorine is not essential for the production of paper, but it is necessary for the bleaching of the paper produced. It is expected that certain paper products will be more affected than others. Restrictions in the amount of chlorine for bleaching will affect the coloring of writing papers, gloss and other papers for magazines, and high grade paper for books.

Newsprint will be unaffected.

The first horizontal cut of 10 percent accepted by the paper industry will result in a difference of approximately 5 percent in paper shadings. Studies are now being made toward further possible reductions.

Rubber priorities adjusted to relieve small firms

To avoid sudden unemployment and to make other adjustments deemed desirable to prevent hardship for small processors, Priorities Director Stettinius announced July 28 several changes in the order imposing priority control over rubber.

About 144 large processors, representing about 90 percent of the total consumption, were informed that no changes are being made in their cases and that they must comply with the terms of the order requiring consumption cuts for August.

About 247 firms, which consumed less than 10 tons a month during the 12-month base period ending March 1941, were informed that they need not observe the stipulated cuts in their case, provided that they do not consume more than 10 tons of rubber in that month.

Defense firms get special treatment

About 86 other firms were sent telegrams giving them special adjustments for August. Most of these firms are engaged largely on defense work.

The rubber order is designed to cut the consumption of rubber from the rate of about 817,000 tons a year (during the early part of the year) to a rate of about 600,000 tons for the last half of the year.

July consumption 67,000 tons

June consumption of rubber was above 84,000 tons. In July, because of the operations of the order, consumption was cut to about 67,000 tons. Average monthly consumption during the base period—April 1940 to March 1941—was about 57,000 tons.

The order is designed to cut rubber consumption to 50,000 tons a month by December.

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Borax allocation extended

Expiration date of the allocation program for borax and boric acid used in the manufacture of borosilicate glass was extended last week from July 30 to August 31, 1941, by the Civilian Allocation Division, OPACS.

The fact that available supplies continue below the amounts demanded by defense and civilian industries occasions amendment of the program.

Aluminum allocated to assure maintenance of radios

Priorities Director Stettinius announced July 29 a program which will make available a limited quantity of aluminum for the manufacture and maintenance of radio sets for civilian use, to maintain the radio communication system and to keep the manufacturing system in operation until new defense orders begin to take up the slack.

For July operations the Office of Production Management has made available 110,000 pounds of aluminum for radio purposes, of which 70,000 pounds represents aluminum scrap.

The new program will provide enough aluminum to supply maintenance and repair parts for existing radios. But there will be a sharp reduction in the number of new sets manufactured by the industry.

Under the arrangement made, the radio industry is required to resort to substitutes as rapidly as possible, so that even further reductions may be made in the amount of aluminum going into private radio sets.

Broad substitutions already made

Broad substitutions have already been made in the radio industry. In 1940 the industry consumed virgin aluminum estimated at 4,000,000 pounds. The July allocation of virgin aluminum is only one percent of the amount used last year.

In future months allocations of aluminum in the radio industry will be made on a decreasing scale.

Mr. Stettinius explained that the industry is required to give priority to the production of maintenance and repair parts.

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Chlorine allocated for seven essential public services

Allocation of supplies of chlorine adequate to take care of requirements in seven essential public services and industries was ordered July 30 in a civilian allocation program issued by the Civilian Allocation Division of OPACS.

Included are water purification, sewage treatment, sanitation, refrigerant gases for existing equipment, slime control in industrial plants, preparation of products for medicinal use, and preservation and processing of food products.

The program is to be administered and enforced by OPM.

PRICES AND CIVILIAN SUPPLIES . . .

President says inflationary rises threaten to undermine defense; asks legislation

President Roosevelt on July 30 told Congress that inflationary price rises are threatening to undermine the defense effort, and called for legislation to deal with the threat. (Similar price control bills, S. 1810 and H. R. 5479, were introduced in the Senate and House August 1.)

The text of the President's message follows:

Inflationary price rises and increases in the cost of living are today threatening to undermine our defense effort. I am therefore recommending to the Congress the adoption of measures to deal with this threat.

We are now spending more than \$30,000,000 a day on defense. This rate must and will increase. In June of this year we spent about \$808,000,000—more than five times the \$153,000,000 we spent in June 1940. Every dollar spent for defense presses against an already limited supply of materials.

Expanding civilian demand

This pressure is sharply accentuated by an ever-increasing civilian demand. For the first time in years many of our workers are in the market for the goods they have always wanted. This means more buyers for more products which contain steel and aluminum and other materials needed for defense. Thus a rapidly expanding civilian demand has been added to a vast and insistent demand by the Government.

Those who have money to spend are willing to bid for the goods. The Government must and will satisfy its defense needs. In such a situation, price advances merely determine who gets the scarce materials, without increasing the available supply. We face inflation unless we act decisively and without delay.

The consequences of inflation are well known. We have seen them before.

Producers, unable to determine what their costs will be, hesitate to enter into defense contracts or otherwise to commit themselves to ventures whose outcome they cannot foresee. The whole production machinery falters.

Speculators, anticipating successive price advances, withhold commodities from essential military production.

Costs to the Government increase, and with it the public debt.

Increases in the workers' cost of liv-

ing, on the one hand, and excessive profits for the manufacturer, on the other, lead to spiraling demands for higher wages. This means friction between employer and employed.

Great profits are reaped by some, while others, with fixed and low incomes, find their living standards drastically reduced and their lifelong savings shrunk. The unskilled worker, the white-collar worker, the farmer, the small businessman, and the small investor all find that their dollar buys ever less and less.

The burden of defense is thrown haphazardly and inequitably on those with fixed income or whose bargaining power is too weak to secure increases in income commensurate with the rise in the cost of living.

And over all hovers the specter of future deflation and depression, to confuse and retard the defense effort and inevitably to aggravate the dangers and difficulties of a return to a normal peacetime basis.

Must bear economic sacrifices

Economic sacrifices there will be and we shall bear them cheerfully. But we are determined that the sacrifice of one shall not be the profit of another. Nothing will sap the morale of this Nation more quickly or ruinously than penalizing its sweat and skill and thrift by the individually undeserved and uncontrollable poverty of inflation.

Our objective, therefore, must be to see that inflation, arising from the abuse of power to increase prices because the supply is limited and the demand inflexible, does not occur during the present emergency.

Today we stand, as we did in the closing months of 1915, at the beginning of an upward sweep of the whole price structure. Then, too, we enjoyed relative stability in prices for almost a year and a half after the outbreak of war abroad. In October 1915, however, prices turned sharply upward. By April 1917 the wholesale price index had jumped 63 percent; by June 1917, 74 percent; and by June 1920 it was nearly 140 percent over the October 1915 mark.

The facts today are frighteningly similar.

The Bureau of Labor Statistics Index of 28 basic commodities, by the end of June, had advanced 50 percent beyond its August 1939 level. It has increased 24 percent since January of this year.

Since August 1939 the Bureau of Labor Statistics Index of 900 wholesale prices has advanced 17½ percent. It has increased 10 percent since January of this year. In the past 60 days, wholesale prices have risen more than five times as fast as during the preceding period since the outbreak of the war abroad.

Since August 1939 the Bureau of Labor Statistics Index of the cost of living has advanced 5½ percent. It has increased 3½ percent since the beginning of this year, and the upward pressure is now intense. In a single month, from the middle of May to the middle of June, the cost of living jumped 2 percent. During the last quarter the increase in the cost of living was greater than during any similar period since the World War. But even yet the index does not fully reflect past increases, and only in a few months will it respond to current increases.

In 1915 the upward price movement proceeded unchecked so that when regulation was finally begun it was already too late. Now we have an opportunity to act before disastrous inflation is upon us. The choice is ours to make; but we must act speedily.

Efforts to maintain stable prices

For 12 months we have tried to maintain a stable level of prices by enlisting the voluntary cooperation of business and through informal persuasive control. The effort has been widely supported because far-sighted business leaders realize that their own true interests would be jeopardized by runaway inflation. But the existing authority over prices is indirect and circumscribed and operates through measures which are not appropriate or applicable in all circumstances. It has further been weakened by those who purport to recognize need for price stabilization yet challenge the existence of any effective power. In some cases, moreover, there has been evasion and bootlegging; in other cases the Office of Price Administration and Civilian Supply has been openly defied.

Faced now with the prospect of inflationary price advances, legislative action can no longer prudently be postponed. Our national safety demands that we take steps at once to extend, clarify, and strengthen the authority of the Govern-

ment to act in the interest of the general welfare.

Need legislative authority for ceilings

Legislation should include authority to establish ceilings for prices and rents, to purchase materials and commodities when necessary, to assure price stability, and to deal more extensively with excesses in the field of installment credit. To be effective, such authority must be flexible and subject to exercise through license or regulations under expeditious and workable administrative procedures. Like other defense legislation, it should expire with the passing of the need, within a limited time after the end of the emergency.

The concept of a price ceiling is already familiar to us as a result of our own World War experience. Prices are not fixed or frozen; an upper limit alone is set. Prices may fluctuate below this limit, but they cannot go above it.

To make ceiling prices effective it will often be necessary, among other things, for the Government to increase the available supply of a commodity by purchases in this country or abroad. In other cases it will be essential to stabilize the market by buying and selling as the exigencies of price may require.

Housing is a commodity of universal use, the supply of which cannot speedily be increased. Despite the steps taken to assure adequate housing for defense, we are already confronted with rent increases ominously reminiscent of those which prevailed during the World War. This is a development that must be arrested before rent profiteering can develop to increase the cost of living and to damage the civilian morale.

Of course, there cannot be price stability if labor costs rise abnormally. Labor has far more to gain from price stability than from abnormal wage increases. For these are likely to be illusory and quickly overtaken by sharp rises in living costs which fall with particular hardship on the least fortunate of our workers and our old people.

Problems of wage adjustment

There will always be need for wage adjustments from time to time to rectify inequitable situations. But labor as a whole will fare best from a labor policy which recognizes that wages in the defense industries should not substantially exceed the prevailing wage rates in comparable nondefense industries where fair labor policies have been maintained. Already through the efforts of the National Defense Mediation Board and

Limited allocations to REA will permit wiring of farms to continue at reduced rate

Action to enable the Rural Electrification Administration to continue its construction program, currently about 5 months behind schedule, was taken July 31 by the Office of Price Administration and Civilian Supply in a limited allocation program announced by the Civilian Allocation Division.

Extension of electric facilities in rural areas is of primary importance to the farm population and the carrying out of present plans of the REA is considered by OPACS to be an essential contribution to the maintenance of public welfare and civilian morale. Civilian and defense demands and defense priorities for strategic metals have made it difficult for REA to obtain the relatively modest quantities necessary to permit it to proceed with its program.

Wiring of 400,000 farms was proposed

REA has proposed to wire 400,000 farms over the next 18 months at the rate of approximately 22,000 farms a month. The allocation program will furnish sufficient material to enable REA to make up the existing 5 months' lag and to proceed with plans at the reduced rate of 11,000 farms a month. It is said that no additional drain on the Nation's electric power generating resources is involved in electrification of farms, since

REA is increasing its generating facilities to keep pace with its wiring program.

The allocation program specifies that during each of the 6 months beginning with August 1941, the following amounts of material shall be allocated to REA: 4,500 short tons of copper; 3,100 short tons of steel; 140 short tons of zinc and 3½ short tons of aluminum.

These allocations, however, shall be reduced in any month by (1) the quantities of materials allocated to REA for construction of defense projects; and (2) the quantities of aluminum which the REA is able to save by arranging to charge for power at a flat rate per month, thereby eliminating the need for meters, which use a certain amount of aluminum. REA has undertaken to attempt arrangements for flat rates wherever possible.

To go into present projects

A further stipulation is that REA will use the foregoing material to complete work now in progress and will not undertake any new projects unless the allocated materials are sufficient to complete such projects.

The program, which will expire January 31, 1942, unless sooner terminated by OPACS, will be administered by the Office of Production Management.

wage-stabilization committees, wage standards are being established and a measure of wage stability is being brought to particular industries. It is expected that such activities will be continued, extended, and made increasingly effective.

I recognize that the obligation not to seek an excessive profit from the defense emergency rests with equal force on labor and on industry, and that both must assume their responsibilities if we are to avoid inflation.

I also recognize that we may expect the wholehearted and voluntary cooperation of labor only when it has been assured a reasonable and stable income in terms of the things money will buy and equal restraint or sacrifice on the part of all others who participate in the defense program. This means not only a reasonable stabilization of prices and the most of living, but the effective taxation of excess profits and purchasing power. In this way alone can the Nation be protected from the evil consequences of a

chaotic struggle for gains which must prove either illusory or unjust and which must lead to the disaster of unchecked inflation.

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Henderson asks restricted areas be opened to paper collectors

Mayor Edward J. Kelly of Chicago was asked July 28 "to do everything possible" to permit waste paper collectors to work in areas of that city from which they are now barred, in a letter sent by OPACS Administrator Henderson.

Pointing out that supplies of waste paper are at present inadequate to permit paperboard mills to meet expanding civilian and defense needs, the letter states that entry of waste paper collectors into restricted residential areas in Chicago would permit collection of an additional 4,000 or 5,000 tons of waste paper each month.

COMMITTEES DISCUSS DURABLE GOODS CUTS

Effects of cuts in consumers durable goods on the wholesale and retail trades were discussed July 29 at a meeting called by the Office of Price Administration and Civilian Supply with the retailers' advisory committee and the advisory committee on wholesale distribution, both of which were formed last summer by Harriet Elliott, now Associate Administrator in charge of the Consumer Division of OPACS.

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Four appointed to OPACS legal staff

The following appointments to the legal staff of the Office of Price Administration and Civilian Supply were announced July 31 by C. David Ginsburg, general counsel:

Thomas I. Emerson, formerly a special assistant to the Attorney General of the United States, was appointed associate general counsel of OPACS. Mr. Emerson entered the service of the Federal Government in June 1933 as assistant counsel of the NRA. Thereafter, he served in various capacities in the legal departments of the old Labor Relations Board, the Social Security Board, and the National Labor Relations Board.

Brunson MacChesney was appointed assistant general counsel in charge of enforcement. Mr. MacChesney became associate professor of law at Northwestern University in the fall of 1940. He has served in recent years as special assistant to the Attorney General of the United States in the Antitrust Division of the Department of Justice, and as acting chief of the Wage and Hour Unit of the Department of Justice in charge of criminal enforcement of the Wage and Hour law.

Harold Leventhal, formerly law secretary to Chief Justice Harlan Fiske Stone and Associate Justice Stanley Reed, was appointed an assistant general counsel to the Price Division. Mr. Leventhal has also served as chief of the Litigation Section in the Bituminous Coal Division of the Department of the Interior.

David Cobb also was appointed an assistant general counsel to the Price Division. Mr. Cobb has been with the Federal Government since 1935, serving successively with the Securities and Exchange Commission and with the Wage and Hour Division of the Department of Labor.

Hospital, clinic, and sanatoria supplies put first by OPACS

Supplies and equipment necessary to continued operation of hospitals, clinics and sanatoria at their maximum efficiency were accorded a preferred status over other civilian needs in an allocation program announced July 30 by the Civilian Allocation Division, OPACS.

At the same time, the allocation program for materials used to make hospital apparatus and equipment and surgical implements and supplies, promulgated July 17, was amended to list specifically the items covered thereunder.

No shortage at present

No shortages of supplies and equipment, such as fuel, linen, and cooking utensils, used by hospitals, clinics and sanatoria exist at present, the latest program states, but the vital importance of these institutions to the public welfare makes it essential to insure that adequate supplies continue to be available. To this end, the program provides that sufficient supplies and equipment shall be allocated to these institutions and that, if necessary, the highest civilian preference rating shall be given to orders for supplies and equipment placed by them. Such rating, it is stipulated, shall be on an equal basis with that proposed for materials and equipment used in the maintenance and repair of hospitals, clinics and sanatoria, already covered in an earlier allocation program.

Details of materials order

The amendment to the allocation program of July 17 for materials used in the manufacture of hospital apparatus and equipment and surgical implements and supplies lists the various items covered thereby as follows: adhesive plasters, anæsthesia apparatus and supplies, biologicals, antitoxins and serums, clinical thermometers, diagnostic instruments, hospital laboratory equipment and supplies, hospital operating room equipment, hypodermic syringes and needles, instruments (surgical and dental), medicinal chemicals, rubber hospital sundries, sterilizers (hospital), surgical dressings and X-ray equipment and supplies (medical and dental).

Full production directed

Sufficient material shall be allocated to the manufacturers or producers of these items, according to the program, to make possible their production at the full rate.

GRAIN BIN METAL ALLOCATION CHANGED

Revision of an earlier allocation program, designed to aid farmers facing a serious shortage of storage space for the current grain harvest, was announced July 31 by the Civilian Allocation Division, OPACS.

By the amendment, the quantities of materials allocated for construction of grain bins are changed to 16,000 short tons of 24- to 26-gage sheet steel suitable for galvanizing and 1,600 short tons of zinc. Initially the program had provided for 10,000 tons of galvanized sheets and 5,000 tons of black sheets.

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New appointments in OPACS accounting division

Four appointments to the accounting division, OPACS, were announced July 26 by Dr. H. F. Taggart, assistant administrator in charge.

Frank P. Smith, professor of accounting at the University of Rochester, was named policy assistant. Mr. Smith, who also has taught at Yale University, was a research accountant with the Securities and Exchange Commission during 1939-1940 while on leave from the University of Rochester.

Herbert Wachsmann was named industrial assistant. He comes to OPACS from the engineering staff of Keasbey & Mattison Co., Ambler, Pa., manufacturers of asbestos, magnesia, and asbestos cement products. Mr. Wachsmann has had international experience in the field of consulting engineering in many industries.

Arthur Nilsson was appointed a consultant. He is professor of economics at Oberlin College and previously was on the faculties of William and Mary College, University of Oregon, and Yale University. In the summer of 1940 Mr. Nilsson was economic adviser in the Consumers Division of the National Defense Advisory Committee. From 1934 to 1937 he was head security analyst in the registration division of the Securities and Exchange Commission.

Harold B. Barnett, of Barnett & Belanger, public accountants, New York, was named executive assistant. Mr. Barnett is a graduate of the Wharton School of Finance and Commerce, University of Pennsylvania, and for several years was in the Philadelphia office of Lybrand, Ross Bros. & Montgomery, public accountants.

Ceiling placed on Douglas fir plywood; 20 percent rise considered unjustified

Ceiling prices for Douglas fir plywood, as well as for the Douglas fir peeler logs from which such plywood is made, are established in Price Schedule No. 13, announced August 1 by OPACS Administrator Henderson.

Price advances so steep as to be inflationary in character have accompanied the greatly increased demand for plywood from defense and civilian sources, Mr. Henderson stated, and his office has determined that maximum prices for plywood and peeler logs should be imposed at the price levels prevailing on or about May 1, 1941.

Price has increased 20 percent

In the case of plywall and plypanel, two types of plywood widely used for a variety of defense and civilian purposes, price increases totaling about 20 percent have taken place in slightly less than a year, with the most recent advance of 6 percent going into effect on May 15, 1941. This latter increase is eliminated by the price schedule.

"Price increases of the extent that have occurred in the plywood industry are unwarranted and cannot be justified by the moderate advances that have taken place in costs," Mr. Henderson said. "Since demand has grown to the point where it cannot be satisfied by the existing capacity of the industry, the sharp rise in prices cannot increase supplies and, hence, can serve no other purpose than to contribute to an inflationary spiral."

Efforts of OPACS to obtain voluntary cooperation from producers of plywood have been frustrated by the refusal of certain members of the industry to join in such a program.

Many defense uses

In the defense effort Douglas fir plywood in its several forms is used in the production of airplanes, pontoon bridges, and small boats. It finds a multitude of applications in the construction industry and in the building of houses and cantonments.

The schedule stipulates that on and after August 5, 1941, regardless of the terms of any contract of sale or purchase or other commitment, no manufacturer or manufacturer's agent shall sell or deliver any Douglas fir plywood at prices

in excess of the following maximums for the principal grades:

Type	Use	Maximum price per M. square feet
Plywall (3/4-inch).....	Wallboard.....	\$28.00
Plyscord (3/4-inch).....	Sheathing.....	25.30
Industrial and automobile grades (3/4-inch).		29.20
Plyform (3/4-inch).....	Concrete forms, etc....	77.10
Plypanel (3/4-inch).....	Partitions.....	41.45

The foregoing prices are f. o. b. mill points for carload lots. Maximum prices for less-than-carload lots average about 9½ percent higher, according to the schedule.

No present restrictions on distributors

The schedule is confined to logging operators producing peeler logs and manufacturers of plywood. No present restrictions are imposed on distributors. However, by separate negotiation with the Office of Price Administration and Civilian Supply, the United States Plywood Co., of New York City, and Harbor Plywood Corporation, Hoquiam, Wash., the two large producers of plywood which also do their own distributing, have agreed that in cases where delivery to the buyer is made from one of their warehouses, rather than directly from their mills, the delivered price to buyers within the usual free delivery zone shall not exceed the f. o. b. mill carload price of the schedule plus the freight charge from the mill to the warehouse, where paid by the manufacturer, plus 20 percent on purchases of \$200 or more, or 25 percent on purchases of less than \$200. A lesser margin shall be charged wherever possible, according to each separate agreement. These agreements go into effect concurrently with the price schedule.

Others expected to adhere

"It is expected that other distributors and retailers will adhere to the maximum margins set up by these agreements," Mr. Henderson stated.

Douglas fir peeler logs, the primary source of Douglas fir plywood, are cut for the most part in Oregon and Washington. In general, peeler grades are determined by the diameter of the log, which ranges downward from somewhat about 55 inches to a maximum of 38 inches. Logs of lesser diameter also are

usable, however, with the lowest grade around 20 inches.

Because grading practices differ among logging companies throughout the northwest, OPACS in its price schedule based the ceiling prices for peeler logs on the quotations that prevailed on May 1, 1941, in order to enable logging operators to adjust their business with a minimum of disturbance.

Prices of peeler logs on May 1, 1941, ranged from approximately \$26 to \$39 per thousand board feet, log scale, in the State of Washington, and from approximately \$24 to \$34 per thousand board feet, log scale, in the State of Oregon, depending on quality. These prices provide a liberal margin over costs.

Detailed records required

The schedule requires manufacturers of plywood to keep detailed records of every sale of plywood and of every purchase of peeler logs, for inspection by OPACS.

Another section of the schedule forbids direct or indirect evasions of the ceiling prices by means of excessive delivery charges or unusual terms of sale. The purchaser in all cases is given the option of making his own transportation arrangements.

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Ceiling to be put on burlap as prices rise over 100 percent

A schedule of ceiling prices is to be placed on burlap in the near future as result of an increase of over 100 percent in prices during the past year, OPACS Administrator Henderson stated July 26.

Invitations were sent to representatives individuals in the burlap trade to attend a meeting in Washington July 30 to advise OPACS officials in working out details of the ceiling.

From 6.5 to 14.2 cents

From a level of 6.5 cents in August, 1940, the New York spot price of 10 ounce, 40-inch burlap has risen to 14.2 cents; during the same period the 7½ ounce, 40-inch cloth has advanced from 4.8 to 10.75 cents.

The rise in the price of burlap, most of which is imported from India, is widely attributed in the trade to a shortage of shipping space. Mr. Henderson stated, however, that while current stocks of burlap are about one-third below normal, during the present emergency price increases cannot be justified or allowed on the basis of a shortage of supply alone.

News for Retailers

Consumers Durable Goods Prices

Although substantial cuts in the production of cars, refrigerators, and household mechanical laundry equipment were tentatively announced for next year, there should be no appreciable increase in their prices, according to OPACS price executives.

Demand for these durable consumers goods has been rising in recent months, but demand may not run as far ahead of supply as has been popularly supposed.

Higher excise taxes and income taxes next year are expected to discourage buying. Defense bond sales will drain off a certain amount of purchasing power.

Another factor, which the auto and home appliance manufacturers are recognizing, is that they already have "sold into next year." During recent months auto retail sales ran over 40 percent above the corresponding period a year ago, refrigerator factory sales showed a 34 percent increase, and the production of washing machines and ironers was up 18 and 80 percent, respectively.

Many of the sales that took place recently, OPACS points out, were due to the fact that many buyers feared there would be no production of these goods at all during the emergency. When the fact is realized that there will be production, even though it is curtailed, much of this buying in advance of need is expected to fall off.

In the case of automobiles, the number of cars in use in 1940 was the highest in history, an increase of 18.66 percent above 1929. There was 1 car in use for every 4.80 persons in the country last year, compared to 1 car for every 5.24 people in 1929.

If we produced no cars at all in 1942, OPACS executives comment, this country would still have the same number of cars in use by the end of the year as in 1938 (allowing for the expected amount that will go out of use). If we stopped for 2 years we'd have nearly as many as we had in 1929. As it is, manufacturers are expected to produce enough cars to replace the number that fall into disuse.

Similar supply factors will be at work in the other consumer goods industries, OPACS states. In the event that production falls considerably below demand, some form of quota or rationing system coupled with price ceilings may have to be instituted.

In the light of the reduction in sales of new consumer goods, dealers are advised to feature their service and repair departments. OPACS has given preference to the manufacture of repair and maintenance parts for consumer durable goods, and the Consumer Division is promoting the conservation and prolongation of life of existing cars, refrigerators, and durable home equipment of all sorts.

Retail Tire and Tube Prices

The rise in wholesale prices of tires and tubes allowed manufacturers by OPACS Administrator Leon Henderson will not raise costs to retailers by more than 5 percent for any tire or tube, and does not warrant an increase beyond 5 percent in retail prices to consumers, according to OPACS rubber price authorities.

The increase in wholesale prices will be effected in some instances entirely by changes in list prices, but for the most part it is expected that manufacturers will separate the present excise tax from present list prices, bill the tax separately, and increase the list price after such deduction by approximately 2.4 percent.

The effective margin between wholesale and retail prices will depend on competitive conditions in the market, OPACS officials state.

OPACS is undertaking a continuing survey of retail tire prices so that the effect of the new wholesale increases on retail prices can be closely observed and further control policies determined.

If retail prices rise more than the full 5 percent, OPACS states that remedial action on the retail level may be necessary.

The 5 percent increase in wholesale prices was allowed, OPACS administrators state, because of a demonstrated increase in material costs for rubber and fibre. Manufacturers in some other industries have been expected to absorb such increases through larger sales volume; however, civilian rubber consumption is being cut to 600,000 pounds per year in the interest of conserving defense materials and transportation facilities. Lower overhead costs are therefore not anticipated.

The increase is tentative, subject to revision if extensive cost studies of the industry, now being made by OPACS, indicate such action is warranted.

The attention of retailers is being called to the conservation program announced recently by OPACS Administrator Leon Henderson. "No shortage in rubber or rubber products is necessary if consumers do not overstock in anticipation of shortage," his statement said. Retailers are requested to refrain from selling rubber goods unless needed for the buyer's immediate consumption.

The Consumer Division is cooperating in the program by advising automobile drivers to avoid the high speeds that contribute to excessive tire wear, and to retread tires where possible instead of buying new ones.

Silk Prices

In regard to the price aspects of the silk situation, OPACS Administrator Henderson has called on retailers to maintain prices of silk products at present levels. There have been no increases in costs due to the stoppage of silk processing. Cost increases in the future may be incurred through expenses attendant to preparing machines for the use of substitutes. But advances in silk prices on the wholesale or retail level can be attributed, therefore, only to the prospect of shortage and possible increase of overhead per unit of output, OPACS textile price executives state.

The Consumer Division of OPACS is enlisting consumer cooperation in the silk situation by urging consumers to refrain from stocking up heavily on silk hose, thus entirely depriving those who are unable to make large purchases. Consumers are also being informed of substitutes and of proper care.

Refrigerator Use

The Consumer Division recommends in the latest issue of its biweekly publication, *CONSUMER PRICES*, that domestic users make a particular effort to use their refrigerators efficiently and cut down on unnecessary use of electric lights. "Most consumers can, without undergoing any hardship, cut their electric bills," the bulletin points out. "It is the mounting up of little savings that counts most."

Among the suggestions for efficient use are checking over by repairmen, if the refrigerator, after it has been properly cleaned and defrosted, runs oftener than formerly. Reinsulation and sealing of

Suggestions for efficient operation of refrigerators and other electrically powered devices in the home are included in the bulletin, which is available on request to the Consumer Division of OPACS.

Henderson declines to raise ceiling on combed cotton yarn except for superfines

Following conferences between industry representatives and the Office of Price Administration and Civilian Supply, Administrator Henderson announced August 2 that combed cotton yarn ceiling prices established in Price Schedule No. 7, as amended, would be continued for the present, excepting as applied to superfine yarns (86s and higher), which are being adjusted upward from 11 to 24 cents a pound by a new amendment to the general schedule.

The Administrator requested that normal trading operations continue at present prices, adding that this was the only basis that would make it possible for OPACS to avoid placing ceiling prices for combed cotton yarn on a permanent and nonadjustable basis.

Industry representatives had drawn attention to increases in raw material costs since a ceiling was first imposed and argued that these increases justified a price advance in excess of the 3¢ (30s basis) which was allowed on July 21, 1941.

Cost rises provided for

Mr. Henderson pointed to the generally favorable earnings in the industry at the present time and to the fact that the original ceilings allowed for a cushion on increases in raw material costs. Moreover, he said, the present unsettled state of the cotton market does not provide a stable basis for upward adjustment of the ceiling. Stocks of cotton

are large and it seems unnecessary to make adjustments which are based on continuous rise of cotton prices. Stabilization at fair levels must be the long-run goal of all branches of the textile industry.

It was agreed that representatives of the industry would meet periodically with OPACS for a review of the situation and that the next meeting would be held in about 2 weeks.

New price schedule

On the superfine yarns the new schedule prices per pound are as follows:

	<i>Single</i>	<i>2-ply</i>
86s-----	\$1.00	\$1.12
90s-----	1.08	1.20
100s-----	1.28	1.42
110s-----		1.64
120s-----		1.88

These prices represent upward revisions which have been found equitable because of the higher cost of producing superfine yarns. Also taken into account in the higher prices are the probable increased demand for these high-count yarns in hosiery manufacture and the need of special efforts to increase production.

By a minor amendment to the schedule, reverse twist yarns are added to the special grades for which a premium over the ceiling prices may be charged because of higher manufacturing costs.

Price agreement extended on low-grade wastepaper

Voluntary price agreements on three low grades of wastepaper, worked out by trade representatives and the Office of Price Administration and Civilian Supply, have been extended for a period of 60 days beginning August 1, 1941.

As to higher grades of wastepaper, Leon Henderson, OPACS administrator, asked dealers and consumers in notices issued July 30 not to exceed prices prevailing during the week ending July 26, 1941, pending an investigation of the price structure for higher grades. No agreement was reached on prices for the higher grades of wastepaper at a meeting on July 25 with trade representatives, since it was not possible to work out grades and differentials at that time.

Extension of the voluntary price agreements on low grades, which were first

established on June 18 and reaffirmed at the recent meeting with the trade, was announced in notices sent July 30 to dealers and consumers of wastepaper. Prices per short ton at New York and Chicago, under the agreement, are:

	<i>New York</i>	<i>Chicago</i>
No. 1 mixed paper-----	\$11.50	\$13.00
No. 1 baled news-----	13.00	15.00
Used corrugated boxes----	16.50	16.00

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Gerald Gould appointed coal price consultant

Appointment of Gerald B. Gould, president of the Fuel Engineering Co., New York, as advisory consultant on coal prices in the fuel section of OPACS, was announced July 28 by Dr. J. K. Galbraith, assistant administrator in charge of the Price Division.

It's unfair to stock up on stockings, says Miss Elliott

Women who stock up heavily on silk hose today are taking unfair advantage of the majority who do not have the income to buy in quantity, Harriet Elliott, Associate Administrator in charge of the Consumer Division of the Office of Price Administration and Civilian Supply, said August 1. She stated further:

"Reports have come across my desk from retail centers that a certain small percentage of their customers are buying hose in quantity. Since the amount of silk available for hosiery manufacture will be limited, these large purchases constitute a selfish raid upon the Nation's supply. In the interests of fair play, I am asking all consumers to voluntarily ration their hosiery purchases—that is, to buy today only for current use—in order to give those consumers with limited incomes an opportunity to share in the available supply.

"Don't pay higher prices"

"Don't pay higher prices for silk hose you buy for current use," warned Miss Elliott. "Retailers have been asked by Leon Henderson, Administrator of OPACS, not to increase hosiery prices. Such price rises are attempts to take unfair advantage of the national emergency and should be reported to me if they occur."

"Consumers should conserve their own supply of silk by taking good care of the hosiery they now have to make it last as long as possible," she advised.

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Violent upward price move to bring ceiling on shortleaf pine

Maximum prices on the various grades of shortleaf Southern pine will be established after a meeting between the Office of Price Administration and Civilian Supply and representatives of the Southern pine branch of the lumber industry on August 6, 1941, according to an announcement made August 1 by OPACS Administrator Henderson.

Invitations to attend the meeting have been sent to 56 representative lumber companies handling Southern pine.

The establishment of a price ceiling on shortleaf Southern pine is considered necessary by OPACS, Mr. Henderson stated, because of the violent upward movement of prices over recent weeks.

Allocation program announced to augment chemical grade cotton linters

Provisions for a substantial increase in the supply of chemical grade cotton linters, essential to the production of rayon and smokeless powder, are contained in a civilian allocation program promulgated August 2 by the Office of Price Administration and Civilian Supply.

At the same time, OPACS requested the trade not to charge in excess of 3.35 cents per pound for raw linters of chemical grade, 73 percent cellulose, f. o. b. crusher's mill, with a quality differential of plus or minus 0.07 cent per pound for every 1 percent of variation in cellulose content from the basic 73 percent.

This program was decided upon by OPACS after consultation with producers of cotton linters, bleachers who process linters for the chemical industry, and representatives of the Army, the OPM, and the Department of Agriculture.

Three principal grades

Cotton linters are obtained by cutting from cottonseed the lint that remains after ginning. Linters come in three principal grades: "Mill run," obtained by cutting all of the lint from the seed in one operation; "first cut," gathered by making a first cut of lint further away from the seed pod than in cutting mill run; and "second run," obtained by a second cut made after the first cut. It is the second cut that finds its principal outlet in the manufacture of chemical cellulose, a base material in rayon and smokeless powder.

Estimates are that unless supplies are augmented the greatly increased demand for chemical grade linters by makers of smokeless powder will leave an insufficient amount available for civilian industry, principally rayon producers.

Two methods for increasing supplies

The program proposes to provide substantially increased supplies by two methods: first, by requiring that no cottonseed-oil crushing mill using more than one cut in the production of linters shall cut "first cut" linters to a higher proportion than 20 percent of its total cut; second, by providing that all "second run" chemical grade linters and at least 80 percent of "mill run" linters produced by cottonseed-oil crushing mills must be sold, if at all, for ultimate use in the chemical industry.

Processors of "mill run" or second cut chemical grade linters may not make any deliveries of these grades other than for use in the chemical industry on and after July 31, 1941, regardless of any prior contracts or other commitments.

Relief from this latter provision may be sought and permission to make delivery may be granted by the Director of Priorities of the Office of Production Management with the concurrence of the

Director of Civilian Allocation of the Office of Price Administration and Civilian Supply.

None of the restrictive measures contained in the program apply to sales or deliveries to the United States Government or to any other government whose defense the President deems vital to the defense of the United States.

Cottonseed-oil crushing mills producing linters are required to report monthly to the OPM the manner of their compliance with the program.

The program will be administered by the Office of Production Management.

Hillman urges defense jobs for women without lowering working standards

Employment and training of women in defense jobs without lowering wage, hour, and other working standards, was urged July 29 by Associate Director General Hillman, OPM, in letters to nearly 200 airplane companies and other defense contractors.

To avoid unnecessary importation of "out-of-town" labor and the resultant housing difficulties and uprooting of families, Mr. Hillman urged these manufacturers to seek qualified women workers to fill a long list of operations which they can satisfactorily perform. It was noted that shortages in available and qualified male workers are occurring already in defense industries in some sections.

Women competent in many jobs

"Defense employers should indicate to the State Employment Service those occupations in which women will be used, and training agencies will establish defense training courses for women in those occupations requiring training," the letter said.

Surveys of the aircraft industry show women are competent in such work as machine shop, press and forming, metal fabrication, bench and stainless steel assemblies, fuselage assembly, wings, control surfaces, cowlings, fairing, tank, final assembly, painting, covering, heat treating, anodizing, welding, and many other operations.

Ability demonstrated in World War

Radio, electrical manufacturing, small parts producers, and other defense industries have successfully employed women in many occupations. Mr. Hillman's letter noted that the ability of adequately trained women to do such

jobs was demonstrated during the World War, and since that time in industry itself.

"It is necessary," he said, "that the hours of work, rates of pay, and conditions of work conform with established standards for the industry, in order that there may be no disturbance due to a lowering of these standards."

The letter was addressed to about 75 airplane and airplane parts companies in southern California, about 12 companies in Wichita, Kans., and 90 defense manufacturers, covering a wide variety of products, in Connecticut.

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ECONOMISTS NEEDED IN DEFENSE AGENCIES

To secure economists in all branches of economics for Government service, the Civil Service Commission has announced an examination for positions paying \$2,600 to \$5,600 a year. Defense agencies are among those having an especial need for economists.

Further information and application forms may be obtained at any first- or second-class post office or from the Civil Service Commission in Washington.

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Pamphlet outlines "What the Schools Can Do"

Ways in which U. S. schools may play a vital role in national preparedness are outlined in "What the Schools Can Do," a new U. S. Office of Education defense pamphlet.

PURCHASES . . .

\$322,367,841 War Department contracts cleared July 24 through July 30

Defense contracts, including informal letter contracts totaling \$322,367,841, were awarded by the War Department and cleared by the Division of Purchases, Office of Production Management, during the period July 24 through July 30. Formal contracts totaled \$291,529,351. This compares with \$421,020,037 for the previous week.

Contracts and informal letter contracts for construction amounted to \$253,068,175; contracts for ordnance to \$35,546,929; contracts for equipment and supplies to \$16,607,567; and informal letter contracts for aircraft to \$17,145,170.

The Maritime Commission did not report any contracts.

Contracts awarded during the period were:

CONSTRUCTION

Edmund J. Rappoli Co., Inc., Cambridge, Mass.; construction of warehouse building at Watertown Arsenal, Watertown, Mass.; \$787,000.

Three contractors: Olson Construction Co., Dobson & Robinson, Peter Kiewit Sons Co., Ogden, Utah; construction of shell-loading plant, fuze-loading plant, and primer-loading plant at Ogden Ordnance Depot, Ogden, Utah; \$2,305,000.

J. W. Bateson, Austin, Tex.; construction and remodeling mobilization buildings at Fort Sill, Okla.; \$1,538,000.

George A. Whitmeyer & Sons Co., Ogden, Utah; construction of warehouses, including utilities at Utah General Depot, Ogden, Utah; \$516,990.

C. G. Kershaw Construction Co., Birmingham, Ala.; construction of a Chemical Warfare Service Arsenal at Huntsville, Ala.; architect and engineer, Whitman, Requaert and Smith, Baltimore, Md.; \$29,000,000.

Crucible Steel Co. of America, New York, N. Y.; additional construction facilities, including machinery and equipment at Harrison, N. J., plant; \$1,000,000 (Defense Plant Corporation agreement).

Lone Star Defense Corporation, Akron, Ohio, subsidiary of the B. F. Goodrich Co.; construction, management, and operation of Lone Star Ordnance Plant at Texarkana, Tex.; \$78,940,000 (Designing and construction of plant will be sublet at a later date).

Three contractors: Charles M. Dunning Construction Co., and Guy H. James, of Oklahoma City, and Patterson Steel Co., of Tulsa, Okla.; construction of Midwest Air Depot at Oklahoma City, Okla.; \$14,270,000.

Del E. Webb, Phoenix, Ariz.; construction of temporary buildings and appurtenant facilities, Mesa Military Airport, Higley, Ariz.; \$1,534,201.

Ford J. Twaits, Los Angeles, Calif.; construction of temporary buildings and appurtenant facilities, Victorville Military Airport, Victorville, Calif.; \$2,147,100.

Mcad and Mount Construction Co., Denver, Colo.; construction of additional temporary housing and hospital facilities, Lowry Field, Denver, Colo.; \$1,194,555.

Charles J. Dorfman, Los Angeles, Calif.;

construction of runways, taxiways, and drainage facilities, Wendover bombing range, Wendover, Utah; \$697,572.

Robert E. McKee, El Paso, Tex.; construction of hospital unit and utilities, Aviation Mechanics' School, Wichita Falls, Tex.; \$1,650,217.

W. W. Petley, Los Angeles, Calif.; construction of water, gas, sewer, storm drains and electrical systems, streets, sidewalks, temporary buildings, and appurtenant facilities, Merced, Calif.; \$1,459,353.

Franceschi Construction Co., San Francisco, Calif.; construction of temporary buildings and appurtenant facilities, and the construction of water, gas, storm drain and electrical systems, streets, and sidewalks, Lemoore, Calif.; \$1,852,563.

Hardaway Contracting Co., Columbus, Ga.; additional construction at Air Corps Flying School, Albany, Ga.; \$1,194,820. (Total estimated cost of flying school now \$4,079,016.)

The Champion Machine and Forging Co., Cleveland, Ohio; purchase of land, construction of buildings and equipping them with machinery and equipment for manufacture of steel forgings for aircraft struts and engines; \$2,699,680. (Defense Plant Corporation agreement of lease.)

The Emerson Electric Manufacturing Co., St. Louis, Mo.; purchase of land, construction of buildings, and installation of machinery and equipment for manufacture of gun turrets; \$10,529,173. (Defense Plant Corporation agreement of lease.)

The United States Rubber Co., New York, N. Y.; construction of Des Moines, Iowa, Ordnance Plant, management and operation services; \$86,058,331. (Subcontracts for the construction work will be awarded later.)

ORDNANCE

American Brake Shoe & Foundry Co., American Forge Division, Chicago, Ill.; steel forgings; \$638,600.

Hobart Brothers Co., Troy, Ohio; generating units; \$601,049.

McCord Radiator & Mfg. Co., Detroit, Mich.; liners and suspensions; \$1,821,720.

McCord Radiator & Mfg. Co., Detroit, Mich.; helmet body assemblies; \$1,393,650.

Globe-Union, Inc., Milwaukee, Wis.; fuzes; \$720,000.

Oliver Farm Equipment Co., Chicago, Ill.; shells; \$648,050.

Stewart-Warner Corporation, Chicago, Ill.; fuzes; \$2,640,466.

Standard Tube Co., Detroit, Mich.; shells; \$1,098,000.

Savage Arms Corporation, Utica, N. Y.; machine guns, \$14,334,470.

Gisholt Machine Co., Madison, Wis.; equipment for turret lathes; \$550,400.

International Harvester Co., Chicago, Ill.; packing stop for containers; \$738,395.

A. O. Smith Corporation, Milwaukee, Wis.; bomb bodies; \$3,224,000.

Sparks-Withington Co., Jackson, Mich.; hoist assemblies; \$718,648.

Mack Mfg. Corporation, Long Island City, N. Y.; tank assemblies; \$6,419,421.

EQUIPMENT AND SUPPLIES

Jacobs Aircraft Engine Co., Pottstown, Pa.; aeronautical engines; \$6,006,577.

Bendix Aviation Corporation, Eclipse Aviation Division, Bendix, N. J.; starter assemblies; \$5,561,200.

Equitable Equipment Co., Inc., New Orleans, La.; cargo vessels and tugs; \$640,000.

A. D. Juilliard & Co., Inc., New York, N. Y.; 1,800,000 yards cotton tent duck; \$504,000.

Beaumont Mfg. Co., Spartanburg, S. C.; 1,800,000 yards cotton tent duck; \$504,000.

Midland Structural Steel Co., Cicero, Ill.; structural steel; \$2,488,200.

Shell Oil Co., Inc., New York, N. Y.; fuel; \$605,285.

INFORMAL LETTER CONTRACTS

CONSTRUCTION

Frank Messer & Sons, Inc., Cincinnati, Ohio; construction of a temporary equipment warehouse, aircraft supply warehouse, and armament laboratory at Wright Field; \$908,100.

James I. Barnes Construction Co., Dayton, Ohio; two temporary Air Corps storage warehouses with necessary utilities at Fairfield Air Depot, Patterson Field, Ohio; \$835,220.

National Concrete Fire Proofing Co., Cleveland, Ohio; construction of a "689" test laboratory and engineering shops at Wright Field, Dayton, Ohio; \$1,300,000.

Charles H. Shook, Dayton, Ohio; construction of addition to engine test stands at Fairfield Air Depot, Patterson Field, Ohio; \$650,000.

Two contractors: Turner Construction Co., New York City, and Louis Mayerson, Albany, N. Y.; construction of greater part of Air Corps supply and repair depot at Rome, N. Y.; architects and engineers, Air Depot Engineers of New York City, a partnership consisting of Alfred Easton, Poor, Gibbs & Hill, Inc., and Fred N. Severud; \$10,000,000.

AIRCRAFT

War Supplies, Ltd., Ottawa, Canada; advanced trainers with spare parts and technical data; \$12,604,100.

War Supplies, Ltd., Ottawa, Canada; British-type Lintf trainers for instrument flying and landing; \$2,132,250.

War Supplies, Ltd., Ottawa, Canada; Primary trainers with spare parts and technical data; \$1,234,670.

General Motors Corporation, Delco Products Division, Dayton, Ohio; landing gear assemblies; \$1,174,250.

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New Hampshire State Council to publish Information Bulletin

THE DEFENSE INFORMATION BULLETIN, official weekly publication of the New Hampshire State Council of Defense, will serve as a channel of information to all local cooperating committee chairmen and their communities, according to the introductory issue received by the Office of Civilian Defense. Governor Robert H. Blood is chairman of the State defense council.

The Bulletin is to combine under a single cover announcements from all State Advisory Committees. The preliminary issue discusses the role of a State council of defense, duties and functions of local and county cooperating committee chairmen and of the State advisory committee chairmen.

HOUSING . . .

Funds allocated for 2,045 homes, 2,043 completed, in week ending July 26

Allocation of public funds for 2,045 defense homes, award of construction contracts for 1,757, and completion of 2,043 for the week ending July 26 were announced August 1 by C. F. Palmer, Coordinator of Defense Housing.

Civilian workers get new homes

New allocations included 900 homes for Beaver County, Pa.; 700 for Seattle; and 260 for Buffalo, N. Y.; all to be built for civilian workers, with construction assigned to the United States Housing Authority. The Public Buildings Administration has been assigned the construction of 85 homes at Manchester, N. H., for enlisted and civilian personnel.

1,247 near Pittsburgh

Construction contracts were awarded by the Federal Works Agency for 1,247 homes for civilian workers in the Pittsburgh locality. The Public Buildings Administration awarded a contract for 160 homes at Spokane, Wash., for enlisted personnel, and the United States Housing Authority awarded contracts for 300 homes at Norfolk, Va., for civilian workers.

The 2,043 homes reported completed for the week raise the total number of completions for the month of July, alone, to 7,048. Among the homes completed for the week are 205 at Corpus Christi, Tex., and 145 at San Diego, both built by the Navy for civilian workers. The Public Buildings Administration reported 108 completions at Mitchel Field, N. Y., and 150 at Fort Sill, Okla., for enlisted personnel.

Dormitory units allocated

Under the temporary-shelter program, 120 trailers were allocated for use at Weldon Springs, Mo. In addition, 500 dormitory units were allocated for Ravenna-Warren, Ohio, and completion of 61 dormitory units was reported at Baltimore, Md.

110,000 homes allocated to date

As of July 26, the Division of Defense Housing Coordination had allocated approximately 110,000 homes for defense workers and enlisted personnel. Of this number, 76,374 have been placed under construction contract and 24,670 have been completed.

STATUS OF PUBLIC DEFENSE HOUSING CONSTRUCTION, JULY 26, 1941

	Funds allocated		Contracts awarded		Completed	
	July 26	July 19	July 26	July 19	July 26	July 19
Number of States and Territories.....	49	49	47	47	33	31
Number of localities.....	171	170	151	149	77	73
Number of projects.....	420	412	268	262	98	92
Number of family dwelling units (regular).....	109,658	107,643	76,374	74,617	24,670	22,627
Civilian industrial workers in private defense industry.....	49,515	47,715	27,747	26,150	4,864	4,309
Civilian industrial workers in Government plants.....	19,201	19,201	14,997	14,997	4,092	4,092
Other civilians, employed by the Army and Navy.....	10,642	10,642	8,804	8,804	3,191	3,191
Married enlisted personnel.....	30,330	30,085	24,826	24,666	12,523	11,035
Number of family dwelling units (trailers).....	4,154	4,034	3,634	3,634	1,675	1,675
Civilian industrial workers in private defense industry.....	3,534	3,534	3,234	3,234	1,675	1,676
Civilian industrial workers in Government plants.....	620	500	400	400	—	—
Number of units for single persons.....	9,591	8,891	7,121	7,124	3,609	3,549

NUMBER OF NEW HOMES STARTED UNDER FHA INSPECTION

January 1 through July 25.....	120,091
Week ended July 25.....	5,972

Army substitutes civilians in "housekeeping" jobs

The Army will gain 30,000 more men for its combat organizations by giving military "housekeeping" jobs now held by soldiers to civilian employees, the War Department announced recently.

The civilians will fill the following positions necessary for the management and upkeep of posts, camps, and other establishments of the Army: operators of telephone, teletype, and radio equipment; engineers, electricians, draftsmen, carpenters, blacksmiths, plumbers, steamfitters, machinists, sheet metal, leather, and canvas workers; butchers, watchmen, janitors, firemen, and clerks.

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1,000 PLANES, 10,000 AIRMEN IN RECORD MANEUVERS

An estimated 1,000 planes and nearly 10,000 officers and enlisted men of the Army air forces will participate in this year's large-scale maneuvers, the War Department has announced.

Dive bombers of the Army, the Navy, and the Marine Corps will swoop down over the troops in simulated warfare that will be realistic to an unprecedented degree. Also light and medium bombers, fighters, and observation planes will carry out combat missions in cooperation with more than 500,000 troops in various maneuver areas.

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"War" correspondents may be captured in realistic maneuvers

When "war" correspondents, radio men and cameramen enter the theater of operations to cover the Army's greatest maneuvers, to be held in Louisiana in September, they will be subject to capture as prisoners of war, the War Department has announced.

Detention of correspondents is one of the innovations made necessary by the type of maneuvers that have been prescribed by the General Headquarters of the Army. For the first time the Army will hold what are called *free maneuvers* on a grand scale. By this is meant that the opposing forces will not follow a preconceived scenario plan of operation that will have a preconceived result.

AGRICULTURE . . .

(Information furnished through Office of Agricultural Defense Relations,
U. S. Department of Agriculture)

OPM will help agriculture meet defense demands, Knudsen tells Wickard

Director General Knudsen, Office of Production Management, last week promised Secretary of Agriculture Claude R. Wickard the cooperation of OPM in helping agriculture meet its responsibilities under the defense program. He made this statement at a conference of OPM and Agriculture officials.

Agriculture officials pointed out that the needs of America's armed services, increased purchasing power in the consumer market, and greatly augmented requests for foodstuffs for export to Britain under the Lend-Lease program, made necessary increased production of many farm products. This increased production, they said, is hindered by existing and potential shortages of certain types of farm equipment and machinery, by the necessity to expand processing capacity in many lines, and by a farm-labor shortage in some areas. Repair and maintenance parts for existing farm equipment, they added, are badly needed to maintain present farm production.

Special machinery needed

M. Clifford Townsend, Director, Office of Agricultural Defense Relations, pointed out that while surpluses of such crops as wheat and cotton now exist,

there is a very heavy demand for food-stuffs like pork, eggs, and dairy products, and that special machinery is required for the production and processing of these. Shortages of farm labor, he said, tend to increase the need for mechanized equipment such as corn pickers, milking machines, etc.

Attending the conference from the Office of Production Management were William S. Knudsen, Director General; Sidney Hillman, Associate Director General; Donald M. Nelson, Director of Purchases; E. R. Stettinius, Jr., Director of Priorities; W. L. Batt, Deputy Director, Division of Production; Herbert Emmerich, Secretary; Douglas C. MacKeachie, Deputy Director, Division of Purchases; Blackwell Smith, Deputy Director, Division of Priorities. Attending from the Department of Agriculture were Claude R. Wickard, Secretary of Agriculture; M. Clifford Townsend, Director, Office of Agricultural Defense Relations; David Meeker, Assistant Director, OADR; L. L. Needler, Chief, Farm Equipment and Supplies Division, OADR; Dr. D. A. Fitzgerald, Chief, Production Division, OADR. Liaison Officer Wayne Coy represented the Office for Emergency Management.

150 new sheer designs in cotton hose are ready in case silk supply is cut off

Full-fashioned cotton hose that are sheer, stylish and well-fitting are ready as substitutes for silk or nylon stockings in the event the raw silk supply is cut off and nylon is needed for parachutes and other military equipment.

For 3 years, the Department of Agriculture's Bureau of Home Economics has been carrying on extensive research in full-fashioned cotton hose for women. As a result, it now has 150 designs ready for release to manufacturers, and 260 more in preparation.

The designs range in variety and weight from cobweb mesh for dress wear to plain knits for every-day use. They call for combed, gassed and mercerized yarns spun of long-staple American cotton. Practically all can be woven on the same machines now manufacturing silk and synthetic hose.

All these designs are being knitted in swatch form on the experimental hosiery machine at the Beltsville Research Center for a hosiery dictionary to be displayed at the New York City headquarters of the Cotton Textile Institute and the Mercerizers' Association of America.

These cotton hose have run the gauntlet of laboratory tests for rub, stretch, and other practical features. A group of nurses at a Washington hospital cooperated in a day-after-day wear test of white hose and their suggestions for added reinforcements in the foot were built into the final design.

Ruth O'Brien, chief of the Textiles and Clothing Division of the Bureau of Home Economics, is in immediate charge of the cotton hosiery project.

Wilson says battle of nutrition is developing on lines of new knowledge

American people in all walks of life must be properly fed if the Nation is to keep going at the rate necessary to meet the present crisis.

In these words, M. L. Wilson keynoted the launching of the Food Stamp Plan in Indianapolis, Ind., on July 27. Mr. Wilson spoke in his dual capacity as Director of Nutrition, Office of the Coordinator of Health, Welfare and Related Defense Activities and as Director of the Extension Service, Department of Agriculture.

Excerpts from his talk:

Recently, we have learned some startling new facts about nutrition, that it plays an important part in keeping up a Nation's strength and morale; and that the kind and amount of food people eat determines their physical resistance and endurance.

The battle of nutrition

Knowledge of food and nutrition now has become an important means of defense. Military rations emphasize the protective qualities and vitamins. The food our soldiers get is the best-balanced of any Army in the world.

We must be realistic, however, and recognize that the enemies of democracy are also putting the new nutritional knowledge to work. And so, while there is a race in armaments and military action, a race in propaganda and counter-propaganda, a third and perhaps the most important phase of this whole situation has come to the front.

Fortunately, American agriculture is now organized to meet not only its home needs but the needs of people abroad. Here in America, we have developed the greatest food-producing plant the world has ever known.

Distribution imperfect

Unfortunately, however, we have not yet perfected our distribution of this food wealth so that it reaches the nutritional needs of all. A cruel paradox has existed in the United States. Our farmers have been able to produce more foodstuffs than they can sell at fair prices. At the same time, millions of low-income families have had to go short on their food supplies.

Tinplate, zinc oxide allocated to assure cans for 1941 season

To guard against the possibility that supplies of cans required to pack the current food crop may fall below the necessary total, the Civilian Allocation Division, Office of Price Administration and Civilian Supply, issued on July 28 an allocation program giving tinplate and zinc oxide needed for this purpose a preference over other civilian demands.

Announcement of the program followed a meeting between OPACS and principal can manufacturers at which the manufacturers agreed to furnish OPACS with data on the amounts of materials going into the various types of cans and on the different uses made of cans by industry at large. The manufacturers were told that iron and steel shortages may compel OPACS to place restrictions upon the use of cans for nonessential purposes.

No present shortage

There is no present shortage of tinplate or zinc oxide, but other civilian and defense demands and defense priorities may act to create one while the current food crop is being processed. Should this occur, there is danger that appreciable quantities of perishable food will spoil.

Any preferences obtained under the new program may not be used to accumulate excessive inventories of tinplate or zinc oxide, and manufacturers are cautioned to exercise the most rigid economy in the use of critical materials.

The Priorities Division, OFM, will administer the new program.

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New process permits use of "weed" hardwood for paper

In the face of mounting shortages of critical defense materials, the Department of Agriculture August 1 called attention to a high-yield semichemical pulping process that permits the use of the "weed" hardwood species in newsprint paper and thus offers the possibility of lessening the shortage of pulp and paper due to the curtailment of supplies from Scandinavian sources.

The process, recently developed by the Forest Products Laboratory of the Forest Service, is also applicable to low-cost container boards and, by a new technique, to an exceptionally high-yield and high-quality alpha cellulose.

Doubled U. S. buying from other republics evidences sound hemisphere defense

Nelson A. Rockefeller, Coordinator of Commercial and Cultural Relations between the American Republics, said July 26 that statistics of trade between this country and the other American Republics, made public by the Department of Commerce, give significant evidence of the effective implementation of the Good Neighbor policy. These figures, he asserted, prove that hemisphere defense is progressing on a sound economic basis.

May 1941 double May 1939

In the first 5 months of 1941, Mr. Rockefeller said, the United States has purchased \$434,500,000 worth of goods—almost as much as we did during the whole year of 1938. In May alone, our purchases from Central and South America were \$95,000,000, or more than 60 percent greater than May 1940, and double the imports in May 1939.

Further statements of Mr. Rockefeller follow:

It is particularly significant that our trade with the East Coast Republics, which have long been especially dependent upon European markets, has been greatly increased. During the first 5 months of 1941, our imports from Argentina, Uruguay, and Brazil increased \$77,000,000 over the 1940 figures.

On July 12, Herbert Backa, Assistant Reich Food Minister, declared that all

European states must expand their agricultural production in order to safeguard "for all time" the food supplies of their people. A short time before that Walther Funk, the Reich's Minister of Economics, had declared that the "United European Continent" is aiming at self-sufficiency in grains and other primary commodities in order to make imports of these products unnecessary. Those statements by two responsible ministers of the German government are in direct contradiction to the arguments of Nazi propagandists at work among the republics of the western hemisphere, who claim that a conquered Europe would provide vast markets for the products of the Americas.

The American contrast

There is no doubt about which represents the true goal of the German government. It is the goal of autarchy toward which German leaders are driving the people of continental Europe, not the goal of healthy, free trade.

In striking contrast to the German "new order" of autarchy is the policy of the Americas which seeks to expand permanently the channels of inter-American trade by development of new sources of supply and by steady efforts toward raising the standard of living in this hemisphere.

Complete export control schedule to be published every month

Monthly publication of a pamphlet containing a comprehensive schedule of commodities and their forms, conversions, and derivatives subject to export control was announced August 1 by Brig. Gen. Russell L. Maxwell, Administrator of Export Control.

The first issue of the publication contains more than 3,500 separate entries, the control of which has been announced previously in schedules 1 to 14, inclusive, and is designed as an aid to shippers, manufacturers, and others interested in export matters. Revised copies of the comprehensive schedule will be released on the first of each month in the future.

Continue interim schedules

The Administrator will continue to issue interim schedules as in the past,

and these will be included in the monthly "comprehensives," it was stated. Excluded from the complete schedule are those commodities appearing in the recently published Schedule Z, exportation of which is regulated with respect to shipments to firms and individuals listed on the "Proclaimed List of Blocked Nationals," as amended.

Under the title, "COMPREHENSIVE EXPORT CONTROL SCHEDULES," the complete listings are published in four sections. Section I lists all commodities subject to export control. Information pertaining to reference numbers is contained in section II, and section III is devoted to general information regarding export control. Section IV concerns information relative to exportation of technical data.

TRANSPORTATION . . .

Grain movements restricted to prevent freight-car tie-up

In order to prevent violation of the cardinal principle in defense transportation that freight cars must not be used for storage purposes, restrictions against grain movement have been placed in effect at various points where public storage elevators are unable to handle additional grain, according to Ralph Budd, Transportation Commissioner.

Since July 16, when it was found necessary to prevent shipments of grain to Kansas City, Mo.-Kans., for storage through issuance of railroad regulations which prevented acceptance of such shipments, similar restrictions in the form of embargoes have been placed covering a total of 15 grain-receiving terminals.

Restrictions on grain shipments

At present, under embargo restrictions issued on behalf of all railroads by the car service division of the Association of American Railroads, shipment of grain for storage is prohibited covering grain consigned to the following points: St.

Paul; Minneapolis; Duluth; Superior, Wis.; Itasca, Wis.; Kansas City, Mo.; Kansas City, Kans.; Salina, Kans.; Cincinnati; St. Louis; and East St. Louis, Ill. While the embargoes prevent acceptance by railroads of grain for storage at these points, grain may still be freely shipped if for sale. In addition where prior arrangement has been made for storage, grain is permitted to move.

At other points, including Louisville; Toledo; Maumee, Ohio; Baltimore; and Philadelphia, individual elevators which are full have been embargoed. In most of these instances the embargoes have been issued under the usual embargo regulations by the individual railroads serving or owning the elevators.

In every instance these restrictions have been made effective only after consultation and agreement with the grain trade at the points affected and the special committees formed by the Department of Agriculture for obtaining and disseminating information concerning grain movement and storage.

Warehouse occupancy increases

The Census Bureau has just released a monthly report on Public Merchandise Warehousing as of May 31, 1941.

The occupancy trend which was checked in March has again moved upwards, varying greatly by regions. For the country as a whole, percentages of occupancy follow: May 31, 78.9; April 30, 78.1; March 31, 76.2.

Comparisons by regions are:

	May 31	April 30
South Central.....	66.	67.4
New England.....	69.1	67.8
South Atlantic.....	70.1	71.6
West Central.....	72.1	73.1
Mountain and Pacific.....	76.9	79.5
East North Central.....	83.2	82.1
Middle Atlantic.....	86.1	83.5

While this report shows conditions as of 2 months ago, the general indications are borne out by current information on the subject from other sources.

While New England shows an increase of 1.3 points, all the rest of the increase is in the Middle Atlantic and East North Central regions. The concentration of storage continues to increase in the

heavy industrial production region East of the Mississippi in the States of Pennsylvania, New Jersey, New York Metropolitan Area, Ohio, Illinois, and Michigan.

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A. V. Bourque appointed tank car consultant

Ralph Budd, Transportation Commissioner, July 31 announced the appointment of A. V. Bourque of Tulsa, Okla., as tank car consultant in the Transportation Division, Advisory Commission to the Council of National Defense.

Mr. Bourque has been in the oil industry in various capacities since 1906. He is executive secretary of the Tank Car Service Committee recently formed to coordinate use of existing railroad tank cars for efficiency in meeting increased demand for land transportation of petroleum and products resulting from diversion of tank ships from the Gulf to East Coast Service.

Headquarters of Mr. Bourque and the committee will be in Chicago.

Freight carloadings exceed same period of 1940 by 25 percent

Revenue freight carloadings during the week ended July 26 totaled 897,399 cars, an increase of 25 percent over the 718,038 cars loaded during the corresponding week in 1940. Due to a falling off of grain and grain products loadings, the performance during the current week represented a decrease of 2,000 cars under the preceding week.

Miscellaneous loadings totaled 367,972, an increase of 32.9 percent over the 276,900 cars of miscellaneous freight loaded in the corresponding week in 1940. This important item, which includes practically all manufactured products and represents 50 percent of the total loadings of carload freight (eliminating cars used for less than carload shipment), is currently running approximately 15,000 cars per week under the volume recorded during the last week in June, when total loadings reached a peak of 908,664.

The details for principal commodities follow:

	1941	1940	Percent increase
Grain and grain products.....	55,277	46,024	20.0
Livestock.....	10,034	9,482	5.8
Coal.....	168,826	122,109	38.3
Coke.....	13,320	10,671	24.8
Forest products.....	47,441	36,078	31.5
Ore.....	78,533	68,703	14.3
Merchandise l. c. l.....	155,996	148,071	5.4
Miscellaneous.....	367,972	276,900	32.9
Total.....	897,399	718,038	25.0
Cumulative (30 weeks).....	23,259,855	19,736,985	17.8

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Hershey asks deferred men to aid civilian defense

All Selective Service registrants who have been deferred from military service have been urged by Brig. Gen. Lewis B. Hershey, Deputy Director of Selective Service, to offer their full assistance to State and local civilian defense agencies.

Many young men have been granted deferment because of their occupations, because they have dependents or because they are not physically capable of undergoing service in the armed forces, the General said. Nevertheless, he added, they are qualified to perform some work in connection with civilian defense.

CIVILIAN DEFENSE . . .

Million volunteers in all parts of U. S. contribute to success of aluminum drive

Committees throughout the Nation reported to Mayor F. H. LaGuardia, Director of the Office of Civilian Defense, on the success of the aluminum campaign in their respective communities. Telegrams and letters continue to pour into the Mayor's office describing the cooperation of patriotic, fraternal, civic and other organizations in the campaign.

LaGuardia praises cooperation

Mayor LaGuardia characterized the conduct of the campaign as "an extraordinary demonstration of the determination of the American people to get behind the defense program."

"From thousands of villages, towns, and cities in every section of the United States," Mayor LaGuardia said, "the response to the campaign was magnificent. Not less than a million volunteer workers in all walks of life participated in the campaign."

"It was a revealing answer to skeptics who insisted that the people were apathetic to the defense program," Mayor LaGuardia said. He particularly praised the cooperation of newspapers, magazines, radio stations, and all other media of public information for their generous cooperation.

With conclusion of the campaign on July 29, the communities began weighing their accumulation of scrap preparatory to shipping it to the concentration points designated in each of the States by the Office of Production Management. The aluminum scrap will be sold by the Procurement Division of the United States Treasury to smelters licensed by the Division of Priorities of OPM at prices fixed by OPACS Administrator Henderson.

It is expected that reports on the volume and weight of the collection will be available shortly.

New Mexico plan for local councils outlines immediate and future functions

Six immediate functions and twelve proposed future functions for local defense councils in New Mexico were included in a suggested plan of organization recently issued by the New Mexico State Council of Defense, of which Governor John E. Miles is executive chairman. The plan urges that an open invitation be issued to all civic, patriotic, community, and service organizations to send representatives to participate in the meeting at which a local defense council is organized.

The six immediate functions outlined for the councils were:

(1) To organize for community or county participation in national aluminum collection campaign.

(2) To coordinate, assist, and sponsor defense activities, such as USO campaign, Defense Bond and Stamp sale, recreational and entertainment facilities for visiting soldiers and sailors; and to promote industrial cooperation with OPM and Defense Contract Service.

(3) To form study groups to assemble data on all phases of the defense program, such groups, in turn, to be nuclei for educational groups and informational bureaus.

(4) To study local needs for civil protection, fire defense, and fire-prevention education.

(5) To set up clearing houses or bureaus to receive, assemble, and brief all suggestions and requests for activity or aid in local defense efforts.

(6) To notify the Governor of local organization.

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John B. Kelly appointed Physical Training Director

OCD Director F. H. LaGuardia, August 2 announced the appointment of John B. Kelly, of Philadelphia, to be National Director of Physical Training in the civilian defense program. The national office will be established in Philadelphia.

Mr. Kelly is a former world's champion in the single sculls, and a member of two Olympic rowing teams. He also was prominent in football, basketball, swimming, and other sports.

He was graduated at Spring Garden Institute in engineering, and has been engaged in the construction business.

J. Russell Young named defense coordinator for capital area

To coordinate plans for the defense of the Nation's Capital, OCI Director LaGuardia August 3 designated Commissioner J. Russell Young of the District of Columbia as United States Coordinator of Civilian Defense for the Metropolitan Area. At the same time Mayor LaGuardia designated cities and towns contiguous to Washington as the Metropolitan Area.

Designates Metropolitan Area

Mayor LaGuardia addressed the following letter to Governors Herbert R. O'Connor of Maryland and James H. Price of Virginia:

"In order that plans for the civilian protection of the Nation's Capital may be coordinated, I have designated the area contiguous to Washington, D. C., as part of the Metropolitan Area of Washington.

"I have designated Mr. J. Russell Young, Commissioner of the District of Columbia, as U. S. Coordinator of Civilian Defense for this Metropolitan Area. I request that you have the towns and cities in your State contiguous to Washington cooperate with the commissioner.

"One of the main reasons for this action, of course, is to see that proper fire-fighting equipment is made available for interchange between these communities in the event of an emergency."

The Mayor addressed Commissioner Young as follows: "It will be your duty and responsibility to see that complete, adequate steps are taken to insure proper civilian protection for this Metropolitan Area."

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Two regional leaders named

OCD Director LaGuardia announced July 25 the appointment of two additional regional directors of his organization. They are:

E. R. Smith, of Houston, Tex., to be regional director of the Eighth Corps Area with headquarters in San Antonio, Tex. His assistant will be Julian Capers, Jr., of Longview, Tex. Charles R. Page, of San Francisco, named regional director of the Ninth Corps Area with headquarters in San Francisco.

President creates Economic Defense Board and directs defense agencies to cooperate

President Roosevelt, by Executive order of July 30, created an Economic Defense Board to develop and coordinate policies and plans for the strengthening of the Nation's international economic relations. The defense agencies, among others, were directed to cooperate and to appoint officers to represent them in their dealings with the Board. Text of the Executive order follows:

By virtue of the authority vested in me by the Constitution and statutes of the United States, by virtue of the existence of an unlimited national emergency, and for the purpose of developing and coordinating policies, plans, and programs designed to protect and strengthen the international economic relations of the United States in the interest of national defense, it is hereby ordered as follows:

1. The term "economic defense," whenever used in this order, means the conduct, in the interest of national defense, of international economic activities including those relating to exports, imports, the acquisition and disposition of materials and commodities from foreign countries including preclusive buying, transactions in foreign exchange and foreign-owned or foreign-controlled property, international investments and extensions of credit, shipping and transportation of goods among countries, the international aspects of patents, international communications pertaining to commerce, and other foreign economic matters.

Vice President is Chairman

2. There is hereby established an Economic Defense Board (hereinafter referred to as the "Board"). The Board shall consist of the Vice President of the United States, who shall serve as Chairman, the Secretary of State, the Secretary of the Treasury, the Secretary of War, the Attorney General, the Secretary of the Navy, the Secretary of Agriculture, and the Secretary of Commerce. The Chairman may, with the approval of the President, appoint additional members to the Board. Each member of the Board, other than the Chairman, may designate an alternate from among the officials of his Department, subject to the continuing approval of the Chairman, and such alternate may act for such member in all matters relating to the Board.

3. In furtherance of such policies and ob-

jectives as the President may from time to time determine, the Board shall perform the following functions and duties:

a. Advise the President as to economic defense measures to be taken or functions to be performed which are essential to the effective defense of the Nation.

To coordinate activities

b. Coordinate the policies and actions of the several departments and agencies carrying on activities relating to economic defense in order to assure unity and balance in the application of such measures.

c. Develop integrated economic defense plans and programs for coordinated action by the departments and agencies concerned and use all appropriate means to assure that such plans and programs are carried into effect by such departments and agencies.

d. Make investigations and advise the President on the relationship of economic defense (as defined in paragraph 1) measures to post-war economic reconstruction and on the steps to be taken to protect the trade position of the United States and to expedite the establishment of sound, peacetime international economic relationships.

e. Review proposed or existing legislation relating to or affecting economic defense and, with the approval of the President, recommend such additional legislation as may be necessary or desirable.

Administration shall conform

4. The administration of the various activities relating to economic defense shall remain with the several departments and agencies now charged with such duties but such administration shall conform to the policies formulated or approved by the Board.

5. In the study of problems and in the formulation of programs, it shall be the policy of the Board to collaborate with existing departments and agencies which perform functions and activities pertaining to economic defense and to utilize their services and facilities to the maximum. Such departments and agencies shall cooperate with the Board in clearing proposed policies and measures involving economic defense considerations and shall supply such information and data as the Board may require in performing its functions. The Board may arrange for the establishment of committees or groups of advisers, representing two or more departments and agencies as the case may require, to study and develop economic defense plans and programs in respect to particular commodities or services, geograph-

ical areas, types of measures that might be exercised, and other related matters.

6. To facilitate unity of action and the maximum use of existing services and facilities, each of the following departments and agencies, in addition to the departments and agencies represented on the Board, shall designate a responsible officer or officers, subject to the approval of the Chairman, to represent the department or agency in its continuing relationships with the Board: The Departments of the Post Office, the Interior, and Labor, the Federal Loan Agency, the United States Maritime Commission, the United States Tariff Commission, the Federal Trade Commission, the Board of Governors of the Federal Reserve System, the Securities and Exchange Commission, the National Resources Planning Board, the Defense Communications Board, the Office of Production Management, the Office of Price Administration and Civilian Supply, the Office for Coordination of Commercial and Cultural Relations Between the American Republics, the Permanent Joint Board on Defense, the Administrator of Export Control, the Division of Defense Aid Reports, the Coordinator of Information, and such additional departments and agencies as the Chairman may from time to time determine. The Chairman shall provide for the systematic conduct of business with the foregoing departments and agencies.

7. The Chairman is authorized to make all necessary arrangements, with the advice and assistance of the Board, for discharging and performing the responsibilities and duties required to carry out the functions and authorities set forth in this order, and to make final decisions when necessary to expedite the work of the Board. He is further authorized, within the limits of such funds as may be allocated to the Board by the President, to employ necessary personnel and make provision for the necessary supplies, facilities, and services. The Chairman may, with the approval of the President, appoint an executive officer.

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POSTER MATS AVAILABLE

Two-column, 65-screen mats of defense posters issued by the Division of Information, OEM, are available to newspapers and other interested publishers. Mats may be obtained of any poster desired, or publishers' names will be put on a mailing list on request to the Division of Information, Office for Emergency Management, Washington, D. C.

OFFICE FOR EMERGENCY MANAGEMENT

WAYNE COY, *Liaison Officer*

CENTRAL ADMINISTRATIVE SERVICES: Sidney Sherwood, *Director*.

DEFENSE AID REPORTS DIVISION: Maj. Gen. James H. Burns, *Executive Officer*.

DEFENSE COMMUNICATIONS BOARD: James Lawrence Fly, *Chairman*.

DEFENSE HOUSING DIVISION: C. F. Palmer, *Coordinator*.

HEALTH, WELFARE, NUTRITION, RECREATION, AND RELATED DEFENSE ACTIVITIES: Paul V. McNutt, *Coordinator*.

INFORMATION DIVISION: Robert W. Horton, *Director*.

NATIONAL DEFENSE MEDIATION BOARD: Wm. H. Davis, *Chairman*.

OFFICE OF SCIENTIFIC RESEARCH AND DEVELOPMENT: Dr. Vannevar Bush, *Director*.

OFFICE OF CIVILIAN DEFENSE: Fiorello H. LaGuardia, *Director*.

OFFICE OF THE COORDINATOR OF INTER-AMERICAN AFFAIRS: Nelson Rockefeller, *Coordinator*.

OFFICE OF PRICE ADMINISTRATION AND CIVILIAN SUPPLY: Leon Henderson, *Administrator*.

CONSUMER DIVISION: In charge of Harriet Elliott, *Associate OPACS Administrator*.

TRANSPORTATION DIVISION OF THE ADVISORY COMMISSION: Ralph Budd, *Commissioner*.

OFFICE OF PRODUCTION MANAGEMENT: COUNCIL

William S. Knudsen, *Director General*.
Sidney Hillman, *Associate Director General*.
Secretary of War Henry L. Stimson.
Secretary of the Navy Frank Knox.
Secretary, Herbert Emmerich.
General Counsel, John Lord O'Brien.

PRODUCTION DIVISION: John D. Biggers, *Director*.

PURCHASES DIVISION: Donald M. Nelson, *Director*.

PRIORITIES DIVISION: E. R. Stettinius, Jr., *Director*.

LABOR DIVISION: Sidney Hillman, *Director*.
RESEARCH AND STATISTICS BUREAU: Stacy May, *Chief*.

DEFENSE



OFFICIAL WEEKLY BULLETIN OF DEFENSE AGENCIES IN THE OFFICE FOR EMERGENCY MANAGEMENT

WASHINGTON, D. C.

AUGUST 12, 1941

VOLUME 2, NUMBER 32

DEFENSE PROGRESS

MANPOWER

United States Army, Aug. 7.....	1,531,800
Navy and Marine Corps, Aug. 1....	340,931
Nonagricultural workers, June....	38,790,000
Percent increase since July 1940..	9.5
Sixteen defense industries, June..	2,440,500
Percent increase since June 1940..	47.6

FINANCE

June 1940-June 1941 (preliminary)

Authorized program.....	\$47,116,000,000
Contract awards.....	\$23,625,000,000
Army.....	\$9,333,000,000
Navy.....	\$10,833,000,000
Other defense.....	\$3,459,000,000

PRODUCTION

July 1940-June 1941

Paid on contracts.....	\$5,596,000,000
Military aircraft in June.....	1,476
Combat vessels in June.....	13
Merchant ships in June.....	9
Week ended August 2	Strikes Workers
Significant defense strikes	8 10,310
in progress during week...	
Number settled.....	4 4,935

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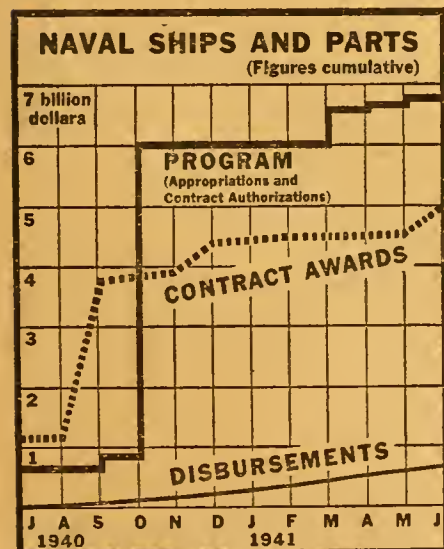
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(For explanation of chart, see Page 2)

Review of the Week in Defense

Steel, the most vital of all metals in defense production, was placed under complete priority control last week. This action means that defense orders for all iron and steel products, including alloy steel, must have the right-of-way over civilian demands.

Faced with a serious shortage of both pig iron and iron and steel scrap, OPM also asked steel companies to submit proposals for expanding production of Bessemer ingots, which require little scrap. In addition it carried a jalopy salvage campaign, already opened in Ohio, into New England.

At the same time, the Justice Department began an investigation of monopolistic practices in the scrap iron and steel trade at the request of OPACS. Hoarding in anticipation of price increases, OPACS said, is hampering defense steel production.

Construction with U. S. funds of a 780,000-ton high speed plate mill at the Bethlehem Steel Co.'s plant at Sparrows Point, Md., was recommended by OPM to Federal Loan Administrator Jesse H. Jones.

Program to stretch silk supply

The shortage of silk, caused by the Far East crisis, continued to occupy the attention of several defense agencies.

A three-point program for stretching out the limited supply of silk and nylon in hosiery manufacturing was adopted at an emergency conference of OPM and OPACS with industry representatives.

The plan provides for half-silk hose, to be made out of stocks of thrown silk which cannot be used for defense, and both half and full nylon hose. Hosiery manufacturers were advised to buy rayon only for current consumption.

Priorities Director Stettinius placed the entire domestic supply of silk waste, silk noils, and reclaimed silk fiber under mandatory priority control. These materials are used in the manufacture of powder bags and ignitor cloths for large caliber guns.

Asked to limit work-week

All processors of silk, rayon, and hosiery were asked by OPM Associate Director General Sidney Hillman to limit their

work-week rigidly to 40 hours to minimize the unemployment threat to 175,000 workers.

Miss Harriet Elliott, associate administrator of OPACS, charged that hosiery retailers and wholesalers had taken advantage of the shortage to raise prices. She advised consumers to refuse to pay the higher prices.

Meanwhile, 150,000 producers, manufacturers, and agencies in nine essential industrial classifications were assured a steady flow of maintenance and repair parts in a plan announced by the Priorities Division.

Ceiling set on copper

The manufacture of white sidewall auto tires was prohibited by Mr. Stettinius to save 6,000 tons of crude rubber a year. White-wall tires use two more pounds of crude rubber per tire than ordinary black tires.

OPACS set a ceiling of 12 cents a pound on copper, widely used in defense production, and sharply restricted civilian use of synthetic resins and plastics made from formaldehyde. It gave the petroleum industry preference in obtaining materials and equipment, and disclosed an agreement by which salmon canners will make available 1,200,000 cases, or 20 percent of the season's pack, for the lend-lease program.

Administrator Leon Henderson asked State vehicular authorities to conserve 1941 auto license plates because of the sheet steel shortage, asserted that no increase in retail prices of tires beyond 5 percent allowed manufacturers is justified, and approved a base price increase of \$2.50 a ton for paper board east of the Rocky Mountains.

Mediation Board has five new cases

The National Defense Mediation Board held four hearings, obtained two agreements, and received five new cases as strikes again flared up following a prolonged lull.

The OPM Labor Division took prompt steps to alleviate the dismissal of 3,600 auto workers in Buffalo, N. Y., by means of a program of reemployment and training in which the Government, management, and labor are cooperating.

Mr. Hillman notified Gulf Coast shipyards that zone labor standards had been ratified by the AFL and CIO. He received letters from railroad labor and management groups pledging cooperation in transferring available railway workers to defense jobs.

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Steel in all forms put under full control

Steel in all forms, including alloy steel, was placed under full priority control August 10 in an order signed by Priorities Director Stettinius.

With this action, all iron and steel products are under priority control, so that defense needs can be put uncompromisingly ahead of nondefense needs.

While alloy steels are included under the present order, a separate order is to be issued shortly, giving details of the regulations applying to alloys.

Made necessary by a growing shortage in certain types of steel products, the step taken August 10 is one of a series of moves which the Priorities Division has made since the first of the year to make sure that iron and steel products flow promptly to defense channels.

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CHART SHOWS FIRST STAGES OF NAVAL CONSTRUCTION

In the chart on the front cover of this issue of DEFENSE, the line showing "Program" represents the total cost of the naval ship program authorized by Congress.

The line showing "Contracts" represents estimated total cost of the vessels, not including ordnance, for which contracts have been let, or which are being constructed in Navy Yards.

Disbursements are shown on a check-issued basis. They are expected to climb more rapidly when new shipways now under construction are completed, and still more rapidly when construction reaches the stage of installation of machinery and equipment. Work is progressing faster than at first planned, since schedules for completion of the program have been stepped forward by two years.

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800 rehired, 500 more to get jobs in model treatment of defense unemployment

Machinery set up through Government, management and labor cooperation for reemployment and training of 3,600 displaced automobile workers in the Buffalo industrial area should serve as a national model in overcoming the unemployment created by shutdown of nondefense plants, Acting Director General Hillman of OPM said August 9.

Hillman received reports from Arthur S. Flemming, chief of the Labor Supply Branch of OPM, and Eli L. Oliver, chief of OPM's Labor Relations division, that four big defense plants in the Buffalo area agreed in a conference August 8 to employ at once 500 of the workers who lost their jobs when the North Tonawanda Chevrolet plant closed down for retooling. The plant will reopen in several months as an airplane engine factory.

800 already rehired

Eight hundred others have already been rehired, and 225 others are being retrained.

Mr. Hillman pointed out that the Buffalo area problem was typical in many respects of the labor dislocations expected to result in the next few months from conversion of nondefense plants and from the operation of defense priorities which will deprive factories of their essential materials. In one-industry cities, additional steps for rehiring will be necessary, such as the awarding of defense contracts to consumer-goods plants, especially among the small and medium-sized enterprises, he noted.

Flemming predicted at least half of the 3,600 would be employed within a month.

Training to be streamlined

"Defense training facilities in the public vocational schools of the Buffalo area will be readjusted and streamlined to provide opportunity for training in the shortest possible time to those of the Chevrolet employees who are not now completely qualified, and who desire to equip themselves for future employment," Flemming reported. He estimated about three-fourths of the 3,600 will need some retraining to qualify for defense jobs.

Flemming also pointed out that the retraining period averages from three to five weeks, that the Buffalo plants have signified their willingness to hire all workers qualified by retraining and that each trainee will receive \$15 a week as

unemployment compensation during the period of training.

Unions help

Oliver reported that Walter Reuther, director of the General Motors Division of the United Automobile Workers, CIO, had taken special steps to cooperate and speed up the registration of the auto workers with the public employment offices. Under this procedure, Reuther is assigning union representatives of the employment offices to assist in registration and classifying of workers.

Expansion of fields of employment for the furloughed Chevrolet workers was promised through a statement by Nathan Cowan, sub-regional director of the Steel Workers Organizing Committee.

The four defense plants whose executives met with OPM representatives in working out the procedure were: Bell Aircraft Corporation, Worthington Pump and Machinery Corporation, Buffalo Arms Corporation, and the Curtiss-Wright Corporation.

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Rayon to be available to hosiery mills immediately, says OPACS

Responding to requests for interpretation of the Civilian Allocation Program for rayon yarn announced August 2, the Office of Price Administration and Civilian Supply August 8 issued the following statement:

The Civilian Allocation Program for rayon yarn, announced by OPACS on August 2, does not contemplate any further action as a prerequisite to sale of rayon yarn to hosiery mills. The program requires that each producer of rayon yarn set aside an amount equal to 10 percent of his daily output, and also requires that each producer set aside 10 percent of all stocks of rayon yarn on hand on August 4. The program further provides that of the rayon thus set aside, "70 percent shall be made available immediately to manufacturers of hosiery."

OPACS expects producers of rayon yarn to fill orders from hosiery mills out of the 70 percent so required to be set aside. If such orders exceed the amount set aside, producers of yarn are to use their own judgment in filling orders, until such time as further programs are announced.

Silk section announces emergency program

The special joint commodity section on silk set up by the Office of Production Management and the Office of Price Administration and Civilian Supply announced August 8 a temporary emergency program to deal with the silk shortage and requested its adoption by all members of the silk hosiery industry. The program was announced after a meeting with representatives of management and industry.

Principal features of the program are:

(1) That hosiery mills which have stocks of thrown silk on hand which cannot be used for defense hereafter use only 50 percent silk in the manufacture of a stocking, making the balance out of materials other than silk or nylon—which in the opinion of the industry will make a stocking identical in appearance with the present hose.

Nylon and half-nylon

(2) That half of the available supply of nylon be used in all-nylon stockings; the other half of the existing supply should be used with other yarns for a 50 percent nylon stocking; the manner in which this is to be done to be left for decision by each individual manufacturer.

(3) Commenting on the OPACS interpretation that under its allocation program the 70 percent of the 10 percent of rayon production set aside for hosiery manufacturers can be released immediately for a limited two-week period as a stop-gap measure, it was urged that each member of the hosiery industry buy only for his current consumption and that manufacturers of rayon sell only for current consumption and sell as evenly as possible throughout the entire hosiery industry, regardless of whether the individual purchaser had previously bought rayon or not.

Rosenwald heads section

Appointment of Lessing J. Rosenwald, retired chairman of the board of Sears, Roebuck & Co., as chief of the special section was announced August 7.

* * *

SILK WASTE, noils, and reclaimed fibers have been put under mandatory priority control.—Page 18.

40-HOUR WEEK was asked of all silk, rayon, and hosiery processors as OPM's Associate Director General Hillman sought to relieve unemployment for silk workers.—Page 18.

PRODUCTION . . .

OPM asks proposals for more Bessemer production to eke out scanty scrap supply

In an effort to maintain and increase steel production despite a shortage of iron and steel scrap at many mills, the OPM asked steel companies August 6 to submit proposals for expanding wherever practicable their capacity to produce Bessemer ingots, which require very little scrap.

The OPM's Steel Branch sent telegrams to the industry urging that proposals be submitted with all possible speed.

Companies now operating both blast furnaces, in which pig iron is made, and open hearth furnaces, in which pig iron and scrap are converted into steel, were asked to submit proposals for construction of any warranted Bessemer converters, in which steel is made from pig iron with the addition of a minimum of scrap.

These same companies were requested to list products now made of open hearth steel that could be made suitably of Bessemer steel. Bessemer steel is considered satisfactory for wire, light structural material, reinforcing bars for concrete, pipe, certain grades of tinplate and some ship plates.

Proposals for air conditioning

Telegrams went also to operators of blast furnaces, asking them to submit proposals for any warranted air conditioning of such furnaces and to list any blast furnaces susceptible to further enlargement. Air conditioning is a means of speeding up operation of blast furnaces and thus increasing their capacity. Few of the country's furnaces have such equipment now.

A third telegram went to steel finishing companies that do not operate blast furnaces or open hearth furnaces. They were asked to list their open hearth steel products that could be made suitably of Bessemer steel if the latter were made available to them.

The possibility of integrated companies' increasing their Bessemer capacity was suggested not only to increase production of Bessemer ingots needing very little scrap but to provide a means of maintaining and increasing open hearth operations if insufficient scrap is available for them.

Converters used in duplex process

If necessary, Bessemer converters can turn out "artificial" scrap for use in open

hearth furnaces. In addition, Bessemer converters sometimes are used in the duplexing process, in which steel is made partly in a Bessemer converter and then transferred to an open hearth furnace to complete the process. Open hearth furnaces can produce duplex steel faster than they can turn out straight open hearth steel; use of the duplex process therefore increases their capacity.

A first step toward increasing Bessemer capacity was taken by OPM on July 23, when it recommended an initial expansion of 6,508,950 tons in annual pig iron capacity. This program included construction of two new Bessemer converters, with an annual steel capacity of 600,000 tons, at the Edgar Thomson works of the Carnegie-Illinois Steel Corporation, a subsidiary of the United States Steel Corporation, at Braddock, Pa.

Construction of the new facilities recommended at the Edgar Thomson works is to begin immediately.

It is expected that construction of additional Bessemer capacity will require 12 months, air conditioning of blast furnaces 6 to 12 months, and enlargement of blast furnaces about 6 months.

In the meantime the OPM is striving to increase current collection of scrap iron and steel to keep existing steel capacity operating at the highest rate possible. A trial effort already undertaken in Ohio, with the cooperation of scrap dealers and automobile wreckers, is expected to be extended shortly to many other sections of the country.

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Hayden appointed Lend-Lease representative of OPM

The Office of Production Management on August 8 appointed H. B. Hayden to serve as representative of the OPM in handling Lend-Lease matters.

Mr. Hayden will represent the OPM on the defense aid supply committee of the War Department, in addition to continuing his present duties as chief of the Lend-Lease clearance section of the Division of Purchases.

OPM recommends building of 780,000-ton plate mill

Construction of a 780,000-ton high speed plate mill at the Sparrows Point, Md., plant of the Bethlehem Steel Co. was recommended by the Office of Production Management August 7.

Director General Knudsen, OPM, wrote Jesse H. Jones, the Federal Loan Administrator, that the project was needed urgently for defense purposes and would require Federal financing.

The proposed construction includes, in addition to the 132-inch continuous plate mill, an open hearth furnace with an annual capacity of 180,000 tons. Steel to operate the mill would be obtained from this furnace, three other company-financed open hearth furnaces now being completed, and additional furnaces existing at the plant.

Cost of the proposed facilities was estimated by the Bethlehem Co. at \$23,-097,000.

Eugene G. Grace, president of Bethlehem, submitted the program to OPM as a partial solution of the critical plate situation growing out of the naval and merchant ship construction programs, railroad car building and other defense undertakings.

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Taub appointed chief technical consultant of automotive branch

Appointment of Alex Taub, designer and development engineer for Vauxhall, Ltd., of England, to be chief technical consultant of the automotive branch of OPM was announced August 3. Mr. Taub is an American citizen.

His task will be to assist the automobile industry and the armed services in solving the technical problems involved in shifting more facilities from passenger car to defense production.

Mr. Taub has had long experience in American automobile plants as well as with Vauxhall, the British subsidiary of General Motors. First loaned by Vauxhall to the British Air Ministry in London, he was transferred later to the British Air Commission in Washington to introduce the Sabre aircraft engine to this country, then loaned by the British Air Commission to the Office for Emergency Management, and now loaned by OEM to OPM's Automotive Branch.

LABOR . . .

Wage and no-strike standards for Gulf shipbuilding, ratified, go into effect

Associate Director General Sidney Hillman of OPM notified Gulf Coast shipyards August 7 that zone labor standards for their region have been ratified by both AFL and CIO groups and will become effective as of the beginning of the first day shift, August 1.

Official notice of ratification by the Gulf Coast Metal Trades Council for AFL workers was received from John P. Frey, president, Metal Trades Department, AFL. The CIO shipbuilding and repair union had previously ratified the zone standards. The Navy and the Maritime Commission also have approved the standards.

Wage increases provided

Morris L. Cooke, chairman of OPM's Shipbuilding Stabilization Committee, said the standards, as drafted by joint zone committees representing labor, industry, and Government, provided wage increases generally for nearly all of the Gulf Coast's ship workers.

The standards provide a basic wage of \$1.07 an hour for standard skilled mechanics, with "equitable raises for other employees," a 40-cent additional pay for second and third shifts, time and one-half for overtime, with double time on Sundays and holidays, and double time for all ship repair except large Government conversion jobs. Strikes, lock-outs, and all limitations on production are banned, and machinery for adjustment of complaints, disputes, and griev-

ances, with provision for arbitration is outlined.

The wage rate is to be modified at the end of 1 year if the cost of living in 10 Gulf cities varies by 5 percent or more, and the standards remain in effect for 2 years, and thereafter unless either party desires to modify or to terminate them.

Unions and shipyards notified

Mr. Hillman sent formal notifications of the effective date to officials of the unions concerned and to the following Gulf shipyards:

Tampa Shipbuilding Co., Tampa, Fla.; Gulf Shipbuilding Corporation, Chickasaw, Ala.; Alabama Dry Dock & Shipbuilding Co., Mobile, Ala.; Ingalls Shipbuilding Corporation, Pascagoula, Miss.; Todd-Johnson Dry Docks, New Orleans, La.; Delta Shipbuilding Co., New Orleans, La.; Consolidated Steel Corporation, Ltd., Orange, Tex.; Pennsylvania Shipyards, Inc., Beaumont, Tex.; Todd-Galveston Dry Docks, Inc., Galveston, Tex.; Houston Shipbuilding Corporation, Houston, Tex.; Gibbs Gas Engine Co., Jacksonville, Fla.; Merrill Stevens Dry Dock & Repair Co., Jacksonville, Fla.; Donald Roebling, Clearwater, Fla.; Gingras Boat Works, Coco, Fla.; Miami Shipbuilding Corporation, Miami, Fla.; Warren Fischer Co., Pensacola, Fla.; Higgins Industries, Inc., New Orleans, La.; Weaver Shipyards, Orange, Tex.; Seabrook Yacht Corporation, Seabrook, Tex.; Platzer Boat Works, Houston, Tex.; Westergard Boat Works, Inc., Rockport, Tex.

Labor committee appointed to help in silk emergency

Associate Director General Hillman, OPM, appointed on August 7 a labor committee to cooperate with the new special joint commodity section on silk and with an industry committee which also was to be appointed. The labor committee took part last week in OPM conferences on the emergency caused by the shortage of silk. Members are:

Emil Rieve of New York, president, Textile Workers Union of America; H. W. Payne of New York, director, rayon division, Textile Workers Union of America; Solomon

Barkin of New York, research director, Textile Workers Union of America; George Baldanzi, executive vice president, Textile Workers Union of America; Carl Holderman of Newark, N. J., manager of the Joint Board, New Jersey, Textile Workers Union of America; Alexander McKeown, president, American Federation of Hosiery Workers; William Smith, secretary-treasurer, American Federation of Hosiery Workers; Alfred Hoffman of Philadelphia, first vice president, American Federation of Hosiery Workers; Frederick Umhey, executive secretary, International Ladies Garment Workers (AFL); C. M. Fox, president, United Textile Workers of America (AFL).

In discussion of the problems last week, Purchases Director Nelson pointed out that the industry would have faced a complete lack of silk even if no priority order had been issued.

Rail unions and management pledge aid in diverting skilled men for defense

Associate Director General Hillman, OPM, announced on August 6 receipt of a joint letter from railroad labor and management assuring that both groups would do all they could to help meet skilled labor shortages in other defense industries out of the available supply of railway workers.

The letter was signed by B. M. Jewell, president, Railway Employees Department, AFL, and J. J. Pelley, president, Association of American Railroads. It resulted from a recent conference in Chicago between OPM and railroad management and labor.

Labor Executives cooperate

A separate letter from J. G. Luhrsens, executive secretary-treasurer of the Railway Labor Executives Association, which represents twenty national railway unions, emphasized the willingness and readiness of these organizations to cooperate in obtaining additional manpower for defense, and suggested some methods to be followed in voluntary recruiting and up-grading of available railroad men.

20,000 skilled men believed jobless

OPM officials estimated there were about 20,000 skilled mechanics in the railroad field now out of work, plus 80,000 learners and apprentices who can be "up-graded" in short order to release skilled workers to other industries.

Hillman disclosed that detailed procedure for recruitment of available railway workers is being prepared and will be issued soon. In general, the railroad labor organizations will take the lead in calling the needs of specific defense industries to the attention of workers who are not fully employed, or whose skills can be diverted for the period of the emergency. It is understood that the seniority status of these workers will be safeguarded against their eventual return to railroading.

To use regional committees

The services of the new regional labor supply committees set up by OPM will be utilized in determining and reporting the skilled labor needs of defense production industries.

MEDIATION BOARD . . .

Hearings opened on four cases in week; five new disputes certified to Board

With its most crowded calendar to date, the National Defense Mediation Board last week (August 4-10) opened hearings on four cases and received certification of five additional disputes. Of the four hearings begun last week, agreements subject to union ratification were reached in two, and in the two remaining cases, agreements were reached on most points at issue and recommendations will be made on those still unsettled. In two of the five new cases, workers voted to end defense strikes on learning that their disputes were in the hands of the Board.

Federal Shipbuilding & Drydock Co.

Most important single development of last week was the Wednesday midnight strike at the Kearny, N. J., shipyards of the Federal Shipbuilding & Drydock Co., called by the Industrial Union of Marine and Shipbuilding Workers—CIO, over refusal by the company to accept a recommendation by the Mediation Board. This is the first case in which an employer has refused to accept a Board recommendation.

After 5 days of hearings early in July, during which all issues in dispute except the union's demand for a union shop were settled by agreement between the parties, and after the Board had considered the question for 5 hours at its regular biweekly meeting July 24, the panel issued its recommendation. The union had demanded the full union shop under which all employees after a probationary period would be required to join the union. The Board recommended a compromise maintenance of membership provision. The text of the recommendation follows:

In view of the joint responsibilities of the parties to the National Defense, of their mutual obligations to maintain production during the present emergency and of their reciprocal guaranties that there shall be no strikes or lockouts for a period of two years from June 23, 1941, as set out in the "Atlantic Coast Zone Standards," incorporated herein and made a part hereof, the Company engages on its part that any employee who is now a member of the Union, or who hereafter voluntarily becomes a member during the life of this agreement, shall, as a condition of continued employment, maintain membership in the Union in good standing.

The recommendation was signed by Walter P. Stacy, Chief Justice of North Carolina, representing the public, and James B. Carey, secretary of the CIO,

representing labor. Charles E. Adams, chairman of the board of the Air Reduction Co., representing employers, dissented.

The Board's recommendation was twice rejected by the union—first at a meeting July 27, then by mail ballot the following week. Finally, at a meeting August 3, the union voted to accept the recommendation. Meanwhile, the Board received word from the company that it refused to accept. At midnight, August 6, the union called a strike at the plant.

After considering the case at its regular meeting the following day, the full Board voted to take no further action in the dispute. Dr. Frank Graham, acting chairman of the Board, told the press that the Executive order creating the Board provided for no further action by the Board beyond the issuance of recommendations.

Lincoln Mills

On Monday, August 4, a panel composed of Walter T. Fisher representing the public, Charles E. Adams representing employers, and Hugh Lyons representing labor, started hearings on the dispute between the Lincoln Mills of Huntsville, Ala., and the Textile Workers Union of America—CIO. A threatened strike of 1,800 workers over union security, wages, and an arbitration clause had been postponed at the request of the Board.

After 4 days of hearings during which most clauses of the contract were agreed upon, the parties returned home to await recommendations by the Board on those points still in dispute. The company makes cotton textiles and has contracts with both the Army and the Navy.

Borg-Warner Corporation

After 2 days of hearings in the dispute between the Mechanics Universal Joint Division of the Borg-Warner Corporation, Rockford, Ill., and the United Automobile Workers of America—CIO, both company and union representatives returned home to negotiate directly, and in case no agreement is reached by August 19, either the parties will reconvene in Washington for further negotiations or recommendations will be made by the Board. A strike, postponed at the request of the Board, had been threatened

over demands by the union for increased wages and a union shop.

The company employs 868 workers and makes bomb fuses and magazine loading devices, and supplies material for the Rock Island Arsenal.

Aluminum Co. of America

Hearings on the dispute between the Vernon, Calif., plant of the Aluminum Company of America and the United Automobile Workers of America—CIO, opened on August 6 before a panel consisting of Dr. Frank P. Graham representing the public, Gerard Swope representing employers, and Clinton Golden representing labor. The next day, August 7, an agreement subject to ratification by the local union membership, was reached on all points and signed by the company and the union.

The issues of wages, union shop, vacations, and paid holidays were the basis for a threatened strike which had been postponed at the request of the Board. The company makes aluminum aircraft parts and employs 1,750 workers at its Vernon plant.

Armour and Company

The dispute between Armour and Company of Chicago, Ill., and the Packinghouse Workers Organizing Committee—CIO, over wages, closed shop, overtime, checkoff, and a master agreement covering 15 of the company's plants came before a panel of the Mediation Board on Thursday, August 7. Late the next evening, August 8, after 2 days of hearings, an agreement was reached subject to union ratification. The terms of the agreement were not made public.

The company supplies one-third of its output of meat, butter, and eggs to the Army. Over 14,000 employees were involved in the dispute.

A meeting was held on August 5 continuing the hearing in the dispute between the John A. Roebling Sons Co. and the Steel Workers Organizing Committee—CIO. Hearings were to reopen August 11 at which George Trundle of the Trundle Engineering Co., Cleveland, Ohio, was to be present. Mr. Trundle had been appointed by the Board to report on certain phases of operations in the Roebling plants and his report was made some time ago.

The case returned to the Board over issues involved in the negotiation of a contract covering the Trenton and Roebling, N. J., plants of the company employing 6,500 workers.

PRIORITIES . . .

Priorities for oil industry systematized by OPM, OPACS, and Coordinator

A coordinated program for handling the needs of the petroleum industry for priority or preference in securing materials and equipment has been worked out by the Office of Production Management, the Office of Price Administration and Civilian Supply, and the Office of the Petroleum Coordinator.

Under this arrangement, the petroleum industry or any section of the industry which needs priority assistance will make applications directly to the office of Harold L. Ickes, Petroleum Coordinator.

The Petroleum Coordinator will weigh and appraise the applications and will make recommendations to OPACS and to the Priorities Division of OPM.

Priority orders or certificates will be issued by the Priorities Division, OPM.

This arrangement makes it the re-

sponsibility of the Petroleum Coordinator, rather than individual units of the oil industry, to present to OPM and to OPACS factual data as to the minimum quantities of material required by the industry to meet the demands made by the defense program and the essential civilian demand.

The critical material requirements of all programs and projects recommended by the Office of the Petroleum Coordinator will be submitted to OPM and OPACS for review and adjustment to the needs of other defense and civilian industries for the same materials.

Considered according to broad plan

All applications for priority aid made by the petroleum industry for materials and supplies will be considered by the

Petroleum Coordinator with regard to a broad general plan, now being worked out by the interested agencies, for the most effective use of essential materials to maintain supplies of petroleum products at necessary levels and for the production of petroleum products in such a manner that neither the defense needs of the present nor the public needs of the future will be impaired or prejudiced.

In order to expedite adjustment of the industry to an emergency condition which involves a limited supply of materials, five district offices of the Petroleum Coordinator are to be established and will be available to receive applications from the industry for transmission to the Petroleum Coordinator's office.

System to avert confusion

Until these district offices are opened, all applications for priorities for the purchase of materials, supplies, or equipment needed by the petroleum industry should be accompanied by explicit and detailed statements regarding the purpose for which the materials are needed and should be addressed to the Office of the Petroleum Coordinator, Washington, D. C.

The new arrangement will avoid any necessity for the petroleum industry to go to various agencies to straighten out its problems.

The arrangement covers all branches of the petroleum industry with respect to their requirements for materials and supplies.

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Los Angeles, Seattle, and Kansas City to get field offices

Three new field offices are being opened by the Priorities Division, Office of Production Management, it was announced August 7 by Priorities Director Stettinius.

E. C. Laird, Jr., and L. Edward Scriven, assistant deputy directors of the Priorities Field Service, will direct the activities of these offices, in addition to those of the other 13 field offices opened recently.

The three new offices will be in Kansas City, Seattle, and Los Angeles.

Clifford H. Carr at Kansas City

The Kansas City office is a branch of the St. Louis office, of which Louis E. Crandall is district manager. Clifford H. Carr, assistant district manager, will operate the Kansas City branch office which will serve the western part of Missouri, all of Kansas, Nebraska, and Oklahoma.

Mr. Carr is an electrical engineer, a member of the Engineers Club of Kansas City and the Missouri Society of Professional Engineers. He was commissioned in the Naval Reserve during the World War after completing the naval steam engineering course at Stevens Institute.

William D. Shannon heads Seattle office

The Seattle district office will be in the Stuart Building and will be operated by William D. Shannon as district manager.

Mr. Shannon was for many years northwest manager of the Stone & Webster Engineering Corporation, in charge of the construction of many of the power plants in the Puget Sound area, including Rock Island, on the Columbia River. He also built the first trunk transmission lines over both the Cascades in Washington and the Sierra Nevadas in California.

He has lived in Seattle since 1901.

G. Howard Hutchins at Los Angeles

The Los Angeles office will be at 1151 South Broadway, and will be operated by G. Howard Hutchins, district manager, who has served manufacturing industry in an administrative capacity for more than 20 years. He has lived in Los Angeles for the past 12 years, having spent 5 years as president of the Filtrrol Co. of California. He also served as Federal receiver for the Alco Oil Tool Co. Since 1937 Mr. Hutchins has been associated with William Clayton in the management of the Clayton Manufacturing Co. and allied interests in Alhambra.

Each of the new district offices will be staffed by local men who have a thorough knowledge of conditions and manufacturing operations in their respective areas.

The district managers will be available to aid businessmen and manufacturers who need information or advice in connection with the priorities system.

Furniture makers discuss ways to meet defense problems

Ways in which the furniture industry can meet its problems and responsibilities under the defense program were discussed August 7 at a meeting of 15 representatives of the industry with Government officials in the office of John M. Brower, consultant on furniture in the Equipment and Supplies Branch, Division of Purchases, OPM.

Among the issues discussed were the growing shortage of sheet steel, which may require substitution of wood in many types of furniture; the extent to which simplification of lines and styles could conserve material; and the possibility of making some defense items in furniture factories.

Appointment of a permanent informal industry group for the furniture industry was recommended by the industry men.

Maintenance and repair rating plan to assure parts for essential industries

Assuring a steady flow of maintenance and repair parts to essential industries, E. R. Stettinius, Jr., Director of Priorities, announced August 8 that a new maintenance and repairs rating plan is being made available at once to more than 150,000 producers, manufacturers, and agencies in nine industrial classifications. Additional industrial classifications will be added to the list as rapidly as facilities permit.

Those granted the use of the plan will get an A-10 rating which they can apply to their orders for necessary repair and maintenance parts.

Industrial classifications in which the plan is being made immediately available are:

1. Commercial air lines maintaining regular scheduled service.
2. Explosives—plants engaged principally in manufacturing explosives.
3. Metallurgical plants engaged in the production of metals and alloys.
4. Mines—including ore dressing and processing plants and smelting facilities.
5. Federal, State, county, and municipal services: Protective services (fire and police); Utilities—electrical energy (production and distribution), gas production and distribution (manufactured and natural), water production and distribution, sewer service; Common carrier passenger transportation by urban, suburban, and interurban electric railways; also by urban and suburban motor and electric coach.
6. Public utilities (privately owned)—electrical energy (production and distribution), gas production and distribution (manufactured and natural), water production and distribution, and sewer service.
7. Railroads.
8. Coke converters.
9. Common carrier passenger transportation by urban, suburban, and interurban electric railways; also by urban and suburban motor, and electric coach (privately owned).

Must apply to get rating

The A-10 rating is *not* automatically available to any producer, manufacturer, or agency in one or more of these classifications. Before any person may use the rating, he must apply for its use on a special form—PD-67—which may be obtained by writing to the Priorities Division, Attention, Maintenance and Repairs Section, 462 Indiana Avenue, Washington, D. C., or by writing to any one of the Priorities Division field offices. Copies of application forms will be available in these offices next week.

If an application is granted, the approved firm or agency will receive an authenticated copy of the new order (P-22-a).

Each producer or agency granted the use of the rating must agree to its terms

in writing, executing a copy of the order and filing it with the Priorities Division, before the rating can be applied.

Each order issued will bear a serial number. The rating can be applied by executing a copy of the order, inserting the serial number, and serving it on the supplier. Additional orders placed with suppliers must be identified by insertion of the number assigned.

The plan includes provisions so that a supplier, when served with a preference rated order, may in the same manner extend the rating to his own suppliers. Printed copies of the order for such purposes may be obtained at field offices or from the Priorities Division.

A-1-a in extreme emergency

Although the rating to be used generally is A-10, a special emergency rating of A-1-a may be assigned within the nine industrial classifications named in cases of extreme urgency. This rating may be used, however, *only when telegraphic applications have been granted*.

The A-10 rating can be applied *only* to deliveries of maintenance and repair parts, as defined in the order, to be used in the plant which has been granted the rating. It may *not* be used to obtain materials flowing into production, may *not* be used to obtain excess inventories of maintenance and repair parts, and may *not* be used to obtain parts or materials for plants expansion.

Representatives of the Priorities Division and the Office of Price Administration and Civilian Supply have worked out the plan and have agreed on the initial nine industrial classifications to be included. As the plan gets under way, other industrial classifications will be added to the list and announcements will be made of all such additions.

Will also increase

Defense Supplies ratings

Mr. Stettinius pointed out that the new plan will not only benefit essential industries which have need of repair and maintenance parts, but will also aid some suppliers and producers to qualify under the Defense Supplies Rating Plan. The Defense Supplies Rating Plan provides special ratings for certain producers based on that percentage of their production which is clearly covered by defense orders.

If a supplier accumulates a number of preference rated orders under the main-

tenance plan, for example, he can then use these orders in calculating the percentage of his business which is defense. When such a supplier can demonstrate that a substantial percentage of his business is defense, he can then enter an application for use of the Defense Supplies Rating Plan.

An example of how the maintenance and repair plan will work in a typical case is as follows:

Suppose a metallurgical plant, a smelter, applies for and is granted the use of the plan.

A little later a pump in the plant wears out and a new valve is needed.

The plant can then serve its preference rating order on its supplier of valves. The supplier will have to recognize the preference rating in meeting the required delivery date.

The supplier will also be benefited because he can either extend the rating directly or else can use the order served on him in qualifying under the Defense Supplies Rating Plan.

If the same plant needs additional valves in the future, it can apply the rating by citing the original order's serial number in placing contracts.

Field offices for information

Field offices of the Priorities Division, and the Field Service district managers from whom information about the plan may be obtained, are:

- Boston, Mass.*—William P. Homans, 30 Pearl St.
New York, N. Y.—Phillip M. McCullough, 33 Liberty St.
Dallas, Tex.—James B. Crockett, Wood and Alkard Sts.
Detroit, Mich.—Walter Hall, 160 Fort St., W.
Philadelphia, Pa.—Frederick W. Slack, 925 Chestnut St.
St. Louis, Mo.—Louis E. Crandall, 411 Locust St.
Chicago, Ill.—Warren G. Bailey, 230 S. La-Salle St.
Cleveland, Ohio.—William T. Walker, E. 6th St. and Superior Ave.
Denver, Colo.—Virgil Board, 17th and Arapahoe St.
Pittsburgh, Pa.—Charles C. Cruciger, Grant St. and Ogle Way.
Atlanta, Ga.—John B. Reeves, Federal Reserve Bank Building.
San Francisco, Calif.—Andrew L. Kerr, Federal Reserve Bank Building.
Cincinnati, Ohio.—Bruce W. Burroughs, Union Trust Building.
Seattle, Wash.—William D. Shannon, Stuart Building.
Los Angeles, Calif.—G. Howard Hutchins, 1151 S. Broadway.
Kansas City, Mo.—Clifford H. Carr (assistant district manager), Federal Reserve Bank Building.

Other industries to be included

As soon as the Priorities Division can handle the needs of the industries listed, the order will be extended to the following list of industries, all of which are also

considered to be essential to the national defense program.

1. Ammonia—plants engaged principally in producing ammonia for refrigeration.
2. Chemicals—plants engaged principally in manufacturing chemicals by chemical processing of raw products.
3. Food processing and storing—plants engaged principally in producing, milling, refining, preserving, or wholesaling food.
4. Hospitals, clinics, and sanatoria.
5. Intercity motor coach common carrier passenger transportation.
6. Quarries.
7. Radio commercial communication—including commercial broadcasting but not including home receiving sets.
8. State, county, and municipal services: Common carrier and school buses; highways; hospitals, clinics, and sanatoria; public buildings, institutions, schools, and parks; street railway, trolley bus, subway, and elevated lines.
9. Telephone and telegraph communication.

Other essential industries will be added as soon as practicable and required.

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August rubber quotas set; modified for some processors

Priorities Director Stettinius announced August 6 that August quotas for processors of crude rubber have been set and said that the rubber order has been amended to provide for adjustments of quotas for certain processors during the rest of the year.

The plan for fixing specific quotas for certain processors is provided in an amendment to the rubber order (M-15). This amendment states that the original formula for monthly cuts in processing shall continue to apply to processors who, by volume, consume almost 80 percent of the rubber.

Special adjustments will be made, however, in the cases of processors who use very small quantities of rubber, who would be subject to special hardship by adherence to the original formula or who, because of other reasons, require adjustments.

Mr. Stettinius explained that experience since issuance of the original order indicated the necessity of making some adjustments of the monthly quotas of crude rubber to some processors.

Among reasons for the adjustments were (1) special conditions which affected some processors' rate of consumption during the base period specified in the original order; (2) the relative importance to national defense and essential civilian activity of products manufactured by certain processors; and (3) the dislocation of labor and resulting unemployment in some instances.

Copper orders are placed under specific control of priorities director

Copper was placed under additional priority control August 2 in an allocation order signed by Priorities Director Stettinius.

Unlike the previous order, which provided that nondefense orders might be filled after a stipulated amount of copper had been set aside for a pool and all defense deliveries had been met, the new order requires that, after August 6, no deliveries of refined copper can be made except upon specific directions of the Priorities Director.

Inventory control exercised

These will be given by means of allocation certificates issued to fabricators and dealers. Exception is made in the case of manufacturers who customarily buy from dealers, and who may continue to do so in their usual quantities without the necessity of an allocation certificate.

Inventory control is exercised by provisions which prohibit purchases of copper from dealers, and of copper alloys and copper products from any source, in excess of the amount required by a manufacturer to fill orders at his customary rate of production. This restriction does not apply, however, to deliveries of imported materials or to exports licensed by the Administrator of Export Control.

The order assigns a preference rating of A-10 to all deliveries for defense orders which have not received a higher rating.

One paragraph of the order requires the acceptance of defense orders by deal-

ers and manufacturers of copper products and copper-base alloys, and requires that *all these* be given priority over nondefense demands. Another provides that the restrictions imposed on deliveries of copper are applicable to intracompany transactions. This means that sales or transfers of metal to affiliated or subsidiary companies, and even by one division of a single company to another, are subject to control by the Director of Priorities.

Manufacturers and dealers who customarily obtain their supplies of copper from refineries should apply to the Copper Commodities Branch of the Office of Production Management for the necessary allocation certificates.

Supply to govern authorizations

The total quantities authorized for release by these certificates will be confined to the amount of copper available in the hands of refiners during a particular month. This, it is expected, will enable each dealer or manufacturer to find one or more refineries that can supply the amount that his certificate calls for.

After this month it is hoped that each manufacturer will be notified, two or three months in advance, of the amount of copper he will be entitled to receive, so that he may plan his schedules accordingly.

Application forms for allocation certificates are to be mailed to those who must use them.

Henderson urges Washington be closed to conventions

Washington, D. C., nerve center of the national defense effort, will be closed to conventions while the emergency lasts if recommendations made by OPACS Administrator Henderson are followed.

In a letter to the Hotel Association of Washington made public last week, Mr. Henderson takes issue with a published analysis purporting to show that the Capital has ample hotel accommodations despite the presence of large conventions. There is clear evidence, according to the OPACS administrator's letter, that at certain periods there are practically no rooms available, a situation that appears to be traceable to the presence of conventions at those times.

OPACS, tin industry confer on possible price ceiling

OPACS officials met August 4 with representatives of the tin industry, to discuss details of a possible price ceiling. Administrator Henderson had announced July 28 that recent sharp increases in the price of tin, stimulated by developments in the Far East, might force imposition of a ceiling in the near future.

Should a price ceiling prove necessary, it was emphasized, no special consideration will be shown to persons who henceforth acquire tin at recent high prices. Higher prices for tin in the United States will not increase supplies, Mr. Henderson pointed out, because the supply problem is one of shipping.

PRICES AND CIVILIAN SUPPLIES . . .

Price control bill would give authority for ceiling on any commodity

OPACS has issued the following brief explanation as part of a longer description of the price control bill introduced in the Senate and House August 1:

The Emergency Price Control Act of 1941 is strictly an emergency measure designed to meet the threat of inflation and to check the rising cost of living.

The pressing need for legislation has been clearly indicated by the President in his message of July 30, 1941. Inflation is not a remote possibility; it is an immediate and serious threat. The time has come when we must have a broad and clear statutory basis for effective price control.

Generally speaking, the bill would authorize the President to establish maximum or ceiling prices for any commodities, principally on the basis of prices prevailing on July 29, 1941, with adjustments for various other factors. The bill further provides, with reference to agricultural commodities, that no ceiling may be established below 110 percent of parity, or the price prevailing on July 29, 1941, whichever is higher.

Ceilings subject to judicial review

Every determination of ceiling prices must be accompanied by a statement of the considerations underlying it, and is subject to complete judicial review by a three-judge emergency court of appeals, and by the Supreme Court of the United States on certiorari.

The President may also establish maximum rent ceilings, but only in defense areas and only with respect to relatively low-cost housing accommodations the rents of which have increased 10 percent or more since August 31, 1940. No rent ceiling can be established until the State or local authorities have been given an opportunity to remedy the situation in accordance with recommendations made by the President. If such State and local authorities fail to take the necessary action, the President may then, in these limited areas, establish rent ceilings which are subject to full judicial review in the same manner as commodity price ceilings.

The bill confers no power on the President with respect to wages.

Quarterly reports to the Congress are required.

Title I of the bill, detailing the general provisions and authority, is printed below.

Purposes, time limit

SECTION 1. (a) It is hereby declared that it is in the interest of the national defense and security and the purposes of this act are (1) to preserve the value of the national currency against the consequences of price and credit inflation; (2) to stabilize prices and to prevent speculative, unwarranted, and abnormal increases in prices and rents; (3) to prevent economic disturbances, labor disputes, burdens upon interstate and foreign commerce, interference with the effective use of the Nation's resources for defense, and impairment of national unity and morale, which would result from unwarranted increases in prices, rents, and the cost of living; (4) to eliminate and prevent profiteering, hoarding, manipulation, speculation, and other disruptive practices resulting from abnormal market conditions or scarcities caused by or contributing to the national emergency; (5) to prevent prospects of price rises from encouraging the accumulation and withholding of materials needed for national defense, and from impeding long-term commitments for production; (6) to assure that defense appropriations are not dissipated by excessive prices; (7) to obtain the maximum necessary production without undue profits to low-cost producers; (8) to protect persons with relatively fixed and limited incomes, investors, and persons dependent on life insurance, annuities, and pensions, from undue impairment of their standard of living; (9) to prevent a post-emergency collapse of values, and the reappearance of price and cost disparities for farmers and other primary producers; and (10) to provide procedures for administration and review which will fairly protect the interests of those subject to this act, without endangering the dominant public interest in the accomplishment of the foregoing purposes.

(b) The provisions of this act, and all regulations, orders, and requirements thereunder, shall terminate upon the expiration of one year from the date of a declaration by the President, or the Congress by concurrent resolution, that the further continuance of the authority granted by this act is not necessary in the interest of the national defense and security; except that as to offenses committed, or rights or liabilities incurred prior to the expiration of one year from the date of such declaration, the provisions of this act and such regulations, orders, and requirements, shall be treated as still remaining in force for the purpose of sustaining any proper suit, action, or prosecution with respect to any such right, liability or offense. During such one-year period the authority granted by this act to the President shall be exercised in such manner as to facilitate readjustment to normal conditions.

Prices, rents, and market practices

SEC. 2. (a) Whenever in the judgment of the President the price or prices of a commodity or commodities have risen or threaten to rise to an extent or in a manner inconsistent with the purposes of this act, he shall by regulation or order establish such ceiling or ceilings as in his judgment will be generally fair and equitable to buyers and sellers of

such commodity or commodities and will effectuate the purposes of this act. So far as practicable, in establishing any ceiling for any specified commodity, the President shall ascertain and give due consideration to the prices prevailing for the commodity on or about July 29, 1941, and shall make adjustments for such relevant factors as he may determine and deem to be of general applicability in respect of the commodity, including the following: speculative fluctuations, general increases or decreases in costs of production and transportation, and general increases or decreases in profits earned by sellers of the commodity, during and subsequent to the year ending July 29, 1941. Every regulation or order establishing any ceiling under this subsection shall be accompanied by a statement of the considerations involved in the issuance of such regulation or order.

(b) Whenever in the judgment of the President such action is necessary or proper in order to effectuate the purposes of this act, he shall issue declarations designating defense rental areas and defense area housing accommodations, and setting forth the necessity for, and recommendations with reference to, the stabilization or reduction of rents for defense area housing accommodations within each area so designated. If within 60 days after the issuance of any such recommendations rents for any such accommodations have not in the judgment of the President been stabilized or reduced by State or local regulation, or otherwise, in accordance with the recommendations, the President shall by regulation or order establish such ceiling or ceilings for such accommodations as in his judgment will effectuate the purposes of this act. In designating defense rental areas or defense area housing accommodations, in prescribing ceilings for such accommodations, and in selecting persons to administer such ceilings, the President shall, to such extent as he determines to be practicable, consider any recommendations which may be made by State and local officials concerned with housing or rental conditions in any defense rental area.

(c) Any ceiling or ceilings may be established in such form and manner, may contain such classifications and differentiations, and may provide for such adjustments, as in the judgment of the President are necessary or proper in order to effectuate the purposes of this act. The President may establish a ceiling or ceilings below the general market prices for the commodity or commodities, or below the rent or rents, as the case may be, in effect at the time of the establishment of such ceiling or ceilings.

(d) Whenever in the judgment of the President such action is necessary or proper in order to effectuate the purposes of this act, he may, by regulation or order, regulate or prohibit, with respect to any commodity, speculative or manipulative practices, selling, marketing, or inventory practices, (including practices relating to changes in form or quality), hoarding, or other practices, which in his judgment are equivalent to or are likely to result in price increases inconsistent with the purposes of this act.

(e) Whenever in the judgment of the President such action is necessary or proper in order to effectuate the purposes of this act, he may, on behalf of the United States, without regard to any provision of law requiring competitive bidding, buy, store, or use, or sell at public or private sale, any commodity, upon such terms as he shall deem necessary to obtain the maximum necessary production of marginal or high cost producers, or to prevent price increases inconsistent with the purposes of this act. The proceeds of any sale under this sub-

section shall be used as a revolving fund for carrying out the provisions of this subsection.

Agricultural commodities

Sec. 3 (a) No ceiling shall be established for any agricultural commodity below (1) 110 per centum of the parity price or comparable price for such commodity, as determined and published by the Secretary of Agriculture, or (2) the market price prevailing for such commodity on July 29, 1941.

(b) For the purposes of this act, parity prices for agricultural commodities shall be determined and published by the Secretary of Agriculture as authorized by law.

(c) The provisions of section 2 of this act shall not be construed to authorize any action contrary to the provisions and purposes of this section.

Prohibitions

Sec. 4. (a) It shall be unlawful, regardless of any agreement, lease, or other obligation heretofore or hereafter entered into, for any person to sell or deliver any commodity, to demand or receive any rent, or otherwise to do or omit to do any act, in violation of any regulation, order or other requirement, under this act, or to offer or agree to do any of the foregoing: *Provided*, That nothing in this act shall be construed to require any person to sell any commodity or to offer any accommodations for rent.

(b) It shall be unlawful for any officer or employee of the Government to disclose, otherwise than in the course of official duty, any information obtained under this act, or to use any such information for personal benefit.

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Steel allocated for 1942 tags; return of 1941 plates asked

A request that State vehicular authorities throughout the country require motorists to surrender their 1941 license plates upon receipt of new 1942 tags was made August 8 by OPACS in announcing a program providing for preferential allocation of the minimum tonnage of sheet steel required to produce the 1942 license plates.

The program is issued, according to OPACS, only because time is too short to enable the States to find substitutes for steel for license tags and since many States already have procured their steel requirements.

Conservation of steel for civilian use is likely to become even more essential in 1942 if the emergency continues and the States are warned that in all probability no sheet steel will be made available for the manufacture of 1943 license tags.

Attention was called to Connecticut's 5-year type of automobile license plate.

By requiring the surrender of old license plates, the States will add a sizeable tonnage of scrap to the national supplies.

The limited allocation program will be administered by the Office of Production Management.

Farmers should remember crash of 1920, lead anti-inflation fight, says Galbraith

Speaking before farmers celebrating Annual Farm and Home Week at Stillwater, Okla., August 6, J. K. Galbraith, assistant administrator in charge of the Price Division, OPACS, declared: "It has taken two decades to rebuild agriculture out of the wreckage left by the inflation of the last war. It is well to recall what happened these twenty years ago for we now have before us a basic choice. We can take the same path once more, or we can avoid that route and choose stability instead." He said also: "There is no alternative to price advances but price control . . . The informal methods we have been using will not last indefinitely."

Further excerpts follow:

During the last ten years inflation has become a common topic of conversation in the United States. For the first time in the ten years we have been talking about it, there is a danger of inflation and a serious one.

There is nothing mysterious about inflation of prices. Inflation consists only of rising prices—the kind of price advance which covers all prices; which includes not only the things you sell but the things you buy.

Inflation is not a new experience in the United States. As I have said, it appears in tandem hitch with war. We have had it in this country in each of our infrequent periods of strife, during the Revolution, in 1812 and during the war between the States. We had an inflation between 1915 and 1920.

Agriculture paid the bill

It was only a question, once the great spiral was started, when it should come to an end. When it ended, agriculture paid the bill. There were some companies, well fortified with cash and with a stout control on their prices, which survived the crash of 1920. The farmer and the country merchant and the local bank were not among them. Farm prices fell but farm costs only declined. The debt burden increased.

Farm income was \$14,400,000,000 in 1919, but only \$8,100,000,000 in 1921. Agriculture's interest bill increased from \$476,000,000 in 1919 to \$653,000,000 in 1921. In 1915 about 64 million bushels of corn would have paid the interest bill on all farm mortgages in Iowa. In 1921 it took 210 million bushels.

It has taken two decades—20 years—to rebuild agriculture out of the wreckage left by the inflation of the last war.

It is well to recall what happened these 20 years ago for we now have before us a basic choice. We can take the same path once more, or we can avoid that route and choose stability instead.

Price control the only alternative

During the last year our price structure has in some respects come into better balance than for many years. The basic agricultural commodities have risen so that they now stand in a more favorable relation to what the farmer buys than for a decade; farm prices have risen 42 percent since August 1939; nonfood prices have risen about 12 percent. But all prices have reached the stage now where it is no longer a question of balance—it is now a question of an upward spiral in all prices. To stop this price increase we shall need a sound tax policy and a sound fiscal policy—but above all, we need the willingness to see price advances stopped and stopped firmly. There is no alternative to price advances but price control.

During the last few months, working with Leon Henderson, I have had a lot to do with prices. By voluntary procedures, and working under the emergency powers of the President, we have been seeking to maintain price stability. We have had a measure of success. But the informal methods we have been using will not last indefinitely. The man who is cooperating with us is suffering for his patriotism. The chiseler, the profiteer, and the speculator are on the make.

These things are disturbing. I am more disturbed by something else. There are farmers who have started talking of 20 cent cotton and \$15 hogs. I know how tempting these figures sound. But 20 cent cotton and \$15 hogs do not mean balance—not any more. They once more mean the inflationary spiral of the last war.

Farmers should lead

If we are to prevent inflation we must be willing to advocate stability in the other fellow's prices, which is easy, and our own prices, which is very hard.

If American farmers accept the idea of inflation—the plain record of the effect of inflation on the farmer, what it is—then there is little hope of preventing inflation. All experience shows, however, that farmers should be, must be the natural leaders in the fight against inflation. If they take the leadership, then stability is assured.

Packers to reserve salmon for Army, Navy; types spread to avert price rise on pink

An agreement by which salmon canners will make available for the lend-lease program, and for the Army and Navy, a total of 1,200,000 cases of salmon, or roughly 20 percent of the current season's pack, without undue dislocation of the civilian market, was announced August 5 by the Office of Price Administration and Civilian Supply.

The program was developed at a meeting of a number of leading salmon canners with representatives of OPACS, Office of Production Management, Surplus Marketing Administration, and the War Department.

Quantities listed

Quantities to be reserved for the lend-lease program and the Army and Navy and to be offered in bids submitted not later than September 5, 1941, are divided among the several types of canned salmon as follows:

(a) 450,000 cases of Red Salmon in No. 1 tall cans, or No. 1 flat cans, or both;

(b) All of the current pack of Cohoes (Medium Reds and Silvers), all in No. 1 tall cans;

(c) 100,000 cases of Chums in No. 1 tall cans, or No. 1 flats, or both;

(d) 450,000 cases of Pinks in No. 1 tall cans, or No. 1 flat cans, or both.

Individually, under the program, each canner, packer and sales agent is asked to agree with OPACS to set aside immediately and hold:

(a) 45 percent of his current Red Salmon pack;

(b) His entire pack of Cohoes (Medium Reds and Silvers);

(c) That proportion of his current Chum pack that 100,000 cases of Chums bear to the entire Chum pack;

(d) That proportion of his Pink pack that 450,000 cases of Pinks bear to the entire Pink pack.

Preliminary estimates place the current salmon pack roughly at 6,000,000 cases. The program, then, will absorb roughly 45 percent of the expected pack of Reds, the premium grade; the entire pack of Cohoes, which may vary between 175,000 and 300,000 cases; and a small part of the pack of Chums and Pinks.

Spread in types to combat price rise in widely consumed pink

Pink salmon, the most widely consumed type, forms an important part of the protein diet of the lower-income groups of the civilian population, especially in areas in which fresh fish is not obtainable in sufficient quantities.

Were the entire amount required by the lend-lease program, the Army and

the Navy taken from the Pink salmon pack, that type would be subject to pressure for higher prices, with resulting hardship to the lower-income groups among domestic consumers. This factor prompted OPACS to seek the cooperation of the industry and the other Government agencies involved to the end that a substantial part of the amount to be reserved be taken from the other types of canned salmon available.

Bids for the 1,200,000 cases reserved will be invited by the respective Government procurement agencies. The representatives of industry at the meeting assured the Government that asking prices would be fair and reasonable.

OPACS is inviting all canners, packers and sales agents to assent to the program as announced, and hopes that by this voluntary cooperation defense requirements can be met without the necessity of establishing price ceilings or of civilian allocation.

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No rise in retail tire price justified beyond wholesale mark-up, says Henderson

No increase in the cost of automobile tires and tubes to the ultimate user, beyond the actual amount recently added to prices by manufacturers, is warranted, OPACS Administrator Henderson announced August 5.

This was Mr. Henderson's answer to a request from tire wholesalers and retailers for a statement of OPACS' position. OPACS has no evidence of any general increase in the cost of distributing tires and tubes, the administrator said. Hence, to add more to new tire and tube prices than the present dollar margin mark-up cannot be justified. Were the customary practice of percentage mark-ups applied in the present situation, the administrator said, the way would be paved for price pyramiding.

In any adjustment of prices upward, dealers are requested not to apply the advance to existing stocks, except as they average the cost of present inventories and cost of new stocks. No reduction in the allowances for new tires or curtailment in the services usually accompanying the sale of tires should be made without a corresponding cut in the price of new tires. Dealers and distributors were urged to apply these pricing practices to used, as well as to new, tires and tubes.

Paper board base price to be raised east of Rockies

Base prices of paper board will be increased \$2.50 per ton east of the Rocky Mountains under an agreement reached between leading paper board producers and OPACS, Administrator Henderson announced August 4.

The first voluntary agreement stabilizing paper board prices was worked out on June 12 and was based upon prices of waste paper, the principal raw material, as of May 29, 1941.

Waste paper prices rose rapidly from the May 29 level and had increased from \$3 to \$4 per ton by June 18, when they were stabilized by agreements between OPACS and members of that trade. These agreements since have been extended to October 1, 1941 on the three low grades of waste paper.

The new upward adjustment of \$2.50 per ton in prices for paper board was based on the increased cost of waste

paper to the paper board mills since the previous agreement was reached.

Under the voluntary agreement and effective until October 1, 1941, manufacturers' prices for paper board east of the Rockies will not exceed \$45 per ton for chip board, \$60 per ton for single manila-lined board, and \$75 per ton for white patent-coated news board.

In addition to the higher price, a schedule of customary price differentials, based on quantity, weight and special requirements was agreed on between OPACS and the paper board producers.

During the period these prices are in effect, OPACS will conduct an exhaustive investigation of the paper board price structure and its relation to prices of products made of paper board.

Members of the paper board industry were urged to report to OPACS all instances of infractions of the base prices and differentials agreed on. Submission of cost data on various paper board products also was requested of the paper board manufacturers.

Possible monopolistic practices investigated in scrap industry

Widespread investigation of practices being followed in the scrap iron and steel trade which are believed to be in probable violation of the antitrust statutes is being undertaken immediately by the Department of Justice in response to a request for action from Administrator Henderson, OPACS announced August 4.

15 brokers supply 90 percent

Participating in the investigation are the Anti-Trust Division and the Federal Bureau of Investigation of the Department of Justice. Furthermore, in requesting the investigation Mr. Henderson suggested that, if appropriate, a grand jury be impaneled to aid in the work. Elimination of current abuses is expected to facilitate free flow of scrap and prevent hoarding.

In his letter to the Attorney General outlining need for the investigation, Mr. Henderson said there are approximately 15 large brokers of iron and steel scrap who supply approximately 90 percent of the scrap purchased by steel mills. These brokers obtain scrap from dealers who purchase from subdealers who in turn buy from smaller dealers or producers of scrap.

Prices jimmied up

"It is my understanding that certain of these brokers and dealers have subsidized secretly other dealers and subdealers, sometimes as many as a hundred or more," Mr. Henderson stated. "In this way a single broker has, in some instances, achieved a monopoly over all of the scrap produced in an entire region. This control over the supply of scrap has been utilized as a means for enhancing scrap prices."

Suspected methods encourage hoarding

As a result of these secretly maintained subsidies and the control over a market which they create certain brokers and dealers have been able to maintain arbitrary control over prices, selection of grades, and supply, according to Mr. Henderson's letter. These controls have had the effect of encouraging the hoarding of iron and steel scrap by creating the impression that prices will be increased. This has lessened the amount of scrap available for steel mills and threatens to curtail the production of steel at a time when needs of the defense program make it imperative that output be maintained at the highest possible level.

Essentials first in civilian allocation of plastics and resins from formaldehyde

Sharply restricted civilian use of synthetic resins and plastics made directly or indirectly from formaldehyde is provided for in a civilian allocation program promulgated August 5 by the Office of Price Administration and Civilian Supply. The program will go into effect on August 23, 1941.

Simultaneously it was disclosed that a study of the price situation in the formaldehyde branch of the chemical industry is under way by OPACS in view of numerous reports that the less scrupulous distributors are exacting excessive prices.

Great demands develop shortage

A shortage of plastics, synthetic resins and the components of such resins has developed within recent weeks because of the great demands made by defense industries and the constantly increasing requirements of civilian industries for plastics to use in substitution for other materials no longer available.

A large percentage of plastics and synthetic resins contains formaldehyde—also used extensively in other fields.

Present prospects are that supplies of formaldehyde will be sufficient for requirements of the defense program and essential civilian needs, but that its use in the production of plastics going into such nonessential items as advertising premiums, "juke boxes," novelties, toys, amateur cameras, etc., must be curtailed.

With this objective, the allocation program segregates into three classifications the nondefense uses of molding compounds, plastics, adhesives and miscellaneous binders, made from synthetic resins.

Most important uses in A class

Senior preference for supplies of resins made directly or indirectly from formaldehyde for civilian use is directed for a wide range of industries and activities essential to the public welfare in classification A. Included in this category are public and industrial light, heat, power and water equipment; transportation equipment, including accessories to commercial airplanes; trucks, buses, tractors, fire-fighting implements and farm equipment; technical instruments; material and equipment for scientific research; chemical protective uses; applications in the communication industry; oil well equipment; industrial equipment; hose, other than protective coatings;

mining; industrial, food, and medicinal containers and protective coverings for them; closures, except decorative; marine applications, and grinding wheels and other abrasive products.

Secondary preference is assigned to such less essential civilian uses as passenger automobiles, cases for radio receivers, furniture, commercial cameras, textile finishing and household appliances.

No preference whatsoever is provided for supplies of synthetic resins made directly or indirectly from formaldehyde in classification C. In this bracket are placed items considered nonessential to the civilian welfare during the present emergency. A provision is contained in the program to shift into classification B from classification C certain products using only a small percentage of formaldehyde and in which formaldehyde resins are essential.

No preference if substitutes are available

The preferences accorded in classifications A and B are refined further in a separate section of the program. This section stipulates that preference shall be granted only to those uses of resins which are essential to the functioning of the classification part or material and that preference shall not be granted to such uses if satisfactory substitutes are available.

Special limited exceptions may be sought in cases where classification in the lowest bracket works any undue or unreasonable hardship or causes unemployment disproportionate to the conservation of raw materials.

Formaldehyde, para-formaldehyde and hexamethylenetetramine, the latter a medicinal derivative of formaldehyde, for all nonplastic uses will receive the same preference as is assigned for uses under classification A.

The allocation program will be administered and enforced by the Office of Production Management.

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Black and Judd named to OPACS accounting department

Appointment of Martin L. Black, Jr., as policy assistant and of Frank Judd as review chief was announced August 8 by Dr. H. F. Taggart, head of the OPACS accounting department.

Changes in iron and steel scrap schedule affect basing points and Gulf exports

Amendments to Price Schedule No. 4, fixing ceiling prices on iron and steel scrap, were announced August 8 by OPACS.

The changes establish for Gulf ports the same export ceiling price as that previously arrived at for the eastern seaboard; add more basing points in appendix A, and modify the existing shipping point price for dealers' yards located within basing points.

Export price rule changed

Summarized, the three important amendments follow:

(1) The \$15 per ton maximum export price for No. 1 heavy melting scrap and the \$16 maximum export price for No. 1 railroad grade heavy melting scrap (with customary differentials for other grades in each classification), f. a. s. at all ports on the Gulf of Mexico are eliminated. Instead, the maximum export price f. a. s. at all United States ports for heavy melting scrap (other than railroad) is made the domestic shipping point price, plus the lowest necessary charge for transporting scrap from the shipping point to the point of export. In the case of railroad grade heavy melting scrap, the ceiling price, f. a. s. at all United States ports, is made the maximum price for a consumer located on the line of the originating railroad, plus actual transportation charges from the line to the point of export. No such transportation charges, however, are allowed to be added in computing the ceiling export price for scrap originating from a railroad not operated at a basing point. Actual costs incident to shipment

for export and a maximum broker's commission of 50 cents per ton may be added if shown as a separate charge on the invoice.

Basing points added

(2) Conshohocken, Pa.; Minneapolis and St. Paul, Minn.; Atlanta, Ga.; Alabama City, Ala.; and Portland, Oreg., are added as basing points. Minnequa, Colo., is eliminated as a basing point for scrap of railroad origin.

Basing point prices at Pittsburgh; Ashland, Ky.; Toledo, Ohio; Duluth, Minn.; Worcester, Mass.; Bridgeport, Conn.; Phillipsdale, R. I.; Birmingham, Ala.; Minnequa, Colo.; Los Angeles, San Francisco, and Seattle are changed in the amended schedule.

(3) Paragraph II of the schedule, establishing maximum prices at a shipping point, has been divided into two sections: Shipping point prices (a) at shipping points located within basing points and (b) at shipping points located outside basing points.

In the case of shipping points within basing points, the price is the basing point price, minus actual transportation costs from the shipping point to the nearest consumer's plant within the basing point. For shipping points located outside basing points, the computation of the shipping point price remains unchanged, except that such price at all shipping points in New York City, Brooklyn, and New Jersey which, by reason of barge rates, are nearest in terms of transportation charges to the Buffalo, N. Y., basing point, shall hereafter be computed from the Bethlehem, Pa., basing point.

Specifically prohibited by the amendment, however, are all sales of grey goods at higher than the maximum prices, even for industrial or private use, by producers or their agents. Sales of grey goods by wholesalers, jobbers and retailers to any converter or finisher similarly must conform to the ceiling prices.

A statement directed to the trade in connection with the amendment says OPACS has been assured by a number of wholesalers and jobbers that their selling margins on sales of grey goods to users of such unfinished cloth, as permitted by the amendment, would be limited to amounts commensurate with the service rendered by them and that there would be no tendency to exact excessive prices.

12-cent ceiling imposed on copper

A ceiling price of 12 cents a pound for copper, excepting only certain purchases by the Metals Reserve Company, is established by Price Schedule No. 15, announced by OPACS August 12.

In a move to provide that the relatively small proportion of copper costing more than 12c a pound to produce shall continue to flow into defense and civilian consuming channels, Mr. Henderson recommended that the Metals Reserve Company, an agency of the Reconstruction Finance Corporation, purchase such high-cost copper at prices in excess of 12c.

Imposition of a ceiling on copper prices is made necessary by the issuance of a general preference order by the Office of Production Management placing copper under 100 percent priority control.

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OPACS asks 33-cent base price for Pennsylvania lubricants

Leading oil refiners producing Pennsylvania grade lubricants have been asked by OPACS Administrator Henderson to base prices upon 33¢ per gallon for the dominant grade, 200 Pennsylvania neutral, 25 pour test, and to maintain current price differentials for the other grades of neutrals.

A succession of increases in recent months has carried refinery prices from about 22¢ per gallon to 42¢ a gallon and higher.

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Engine exhibit being staged for possible subcontractors

Subcontractors who may be able to make parts for Continental aircraft and tank engines were invited by the Defense Contract Service of OPAC to an exhibit of the engines in Detroit beginning August 11.

The exhibit is in the Federal Reserve Bank Building, 160 Fort Street, West, Detroit, where an office of the Defense Contract Service is located.

The purpose of the display is to help prospective subcontractors determine what parts they could manufacture.

Interested manufacturers in the Detroit area and elsewhere are requested to call the Defense Contract Service at Detroit for information as to the best time to see the exhibit. It will continue for about a week.

Wholesalers, retailers, jobbers given restricted exemption from grey goods ceiling

Wholesalers, jobbers and retailers are given restricted exemption from the ceiling prices heretofore established for six leading types of cotton grey goods in an amendment announced August 9 by OPACS.

The change enables wholesalers, jobbers and retailers to sell at higher than ceiling prices grey goods used in an unfinished state by industry for a variety of purposes and by private consumers for muslin sheeting, tobacco culture, etc.

News for Retailers

Rayon Allocation

The emergency rayon allocation program announced by the Office of Price Administration and Civilian Supply is designed to make available to the hosiery industry sufficient rayon yarn to allow continued production at substantially the same rate that prevailed prior to the stoppage of civilian raw silk supplies.

Whether the hosiery industry actually will be able to continue at its previous rate depends in part on other factors, OPACS civilian allocation authorities explain. These include the rate at which suitable stocking yarns can be made available; the extent to which the distribution of the yarns from the rayon manufacturers to the hosiery knitters is quickly and evenly made; and the degree of consumer acceptance of rayon stockings.

Rayon stockings in general do not take the same dyes as silk and have different wearing qualities. Rayon research has developed some yarns with greater-than-average silk-like qualities, but supplies of this kind of yarn are limited at present.

Considerable research also has been directed recently towards the development of high-count cotton yarns for stockings, OPACS officials report, but facilities likewise are not available at present to provide these yarns in sufficient quantities to assure continued operation of hosiery mills.

OPACS officials stress the unpredictable aspects of the situation and the important part that will be played in the substitution program by consumer choice. The program for the allocation of 10 percent of the daily production of yarns and 10 percent of stocks held by rayon producers is on an emergency basis and scheduled at present for only the months of August and September.

Rayon yarn is the only substitute for silk in hosiery manufacture immediately available in the necessary quantities and types. The allocation program was undertaken, OPACS authorities point out, to alleviate distress which would have been caused by the sudden closing down of hosiery mills as soon as the current stocks of thrown silk yarns were exhausted.

Supplies of rayon yarns for other apparel items such as ties, hat-linings, and underwear made largely or wholly of silk are expected to be adequate also,

subject to the same factors that will govern hosiery production.

Canned Salmon

The importance of canned Pink salmon in the diet of low-income groups, particularly for those regions of the Middle West and South which are far from fresh fish sources, was the primary consideration behind the voluntary allocation agreement between OPACS and salmon-canning representatives announced last week.

Under the allocation agreement, canners will provide more of the higher-priced Red salmon than the lower-priced Pink and Chum salmon for Lend-Lease and defense requirements than might have been the case otherwise. This will release more of the pink salmon pack for the domestic market.

It is expected that 45 percent of the pack of the Red salmon, 100 percent of the medium-red Cohoes salmon and only a relatively small percent of the Pink and Chums will be delivered to the military forces and to England under the new program.

In view of the possibly serious nutritional consequences to the civilian population of the recent increases in prices of protein source food of most types, OPACS has been carefully studying the rise in canned-salmon prices.

From August 1939, the month preceding the outbreak of the European War, until June of this year, the wholesale price of Pink salmon, (No. 1 tall can, cases of 12) rose 48.9 percent, according to figures of the Bureau of Labor Statistics. From January to June of this year it increased 5.4 percent.

The retail price per can of the same type of Pink salmon rose 33.5 percent from August 1939 to June 1941. The January-to-June increase for this year was 8.9 percent.

OPACS food price authorities indicate that if the voluntary agreement for providing the increased supplies of Pink salmon to the lower-income market is not successful in averting further substantial price increases, some form of direct price action may be necessary.

Formaldehyde Plastics

Retailers in months to come will find it increasingly difficult to replenish their stocks of novelty goods made of plastics

as the result of OPACS' recent allocation program classifying as essential, less essential and nonessential the nondefense uses of synthetic resins containing formaldehyde.

Aiming to augment supplies of formaldehyde for essential civilian needs, OPACS rules that no preference whatsoever be accorded to supplies of synthetic resins containing formaldehyde intended to be used in the production of coin phonograph boxes, toys, amateur cameras, etc.

Denied the strong and decorative formaldehyde-phenol plastics, manufacturers of these nonessential items will be compelled to turn to substitutes or to discontinue their production for the duration of the emergency.

A shortage in glacial acetic acid, prime raw material for acetate plastic, which might be substituted readily under other conditions, will prevent any substantial substitution of this material. If novelty goods manufacturers were to make a widespread change-over from formaldehyde to acetate plastic, a critical shortage would immediately develop and a substitute-for-a-substitute campaign would have to be instituted, OPACS civilian allocation officials point out.

Some manufacturers of nonessential civilian goods may escape the restriction. A few small users of formaldehyde plastics cast their plastics (the common process employs molding) and then cut the material by hand. OPACS officials explain that curtailment of the supply to these manufacturers, jewelry-makers principally, would represent an insignificant saving in formaldehyde, and create a disproportionate amount of unemployment, since a large quantity of hand labor is used in this procedure, and neither labor nor machinery used could be readily transferred to defense work.

OPACS civilian allocation executives state that present prospects are that supplies of formaldehyde sufficient for the requirements of the defense program and the essential civilian needs will be available as the result of the order.

One of the important military uses of the allocated material is as a laminated plastic in airplane construction. The main essential civilian uses are in electrical insulating materials in all forms of communication and transportation equipment, and brake linings in trucks and passenger cars.

Formaldehyde, one of the essential chemicals of the plastic, is also used in embalming, in coagulating oils, in extracting fish oils, and essential oils.

PURCHASES . . .

\$231,754,498 War Department contracts cleared July 31 through August 6

Defense contracts, including informal letter contracts, totaling \$231,754,498 were awarded by the War Department and cleared by the Division of Purchases, Office of Production Management, during the period July 31 through August 6. Formal contracts totaled \$228,954,498. This compares with \$291,529,351 for the previous week.

The Maritime Commission did not report any contracts.

Contracts awarded during the period were:

CONSTRUCTION

Four contractors: Weitz Co., Inc., Des Moines, J. S. McLaughlin & Sons, Des Moines, Central Engineering Co. and Priester Construction Co., both of Davenport, Iowa; construction of small arms ammunition plant at Des Moines; plant will be operated by U. S. Rubber Co. and will produce .30 and .50 caliber ammunition of ball, armor piercing, and tracer type; \$17,679,597.

A. J. Rife Construction Co., Dallas, Tex.; establishment of Medical Corps Replacement Center at Camp Berkeley, Tex.; \$2,036,972.

Two contractors: Rock City Construction Co. and T. M. Strider & Co., both of Nashville, Tenn.; construction of barrage balloon center, at Paris, Tenn.; architects and engineers, R. H. Hunt Co. of Chattanooga, Tenn.; \$5,254,968.

Federal Cartridge Corporation, Minneapolis, Minn.; designing, constructing, equipping, and operating of Twin Cities Ordnance Plant at St. Paul, Minn.; \$88,058,331. (Sub-contracts for architects and engineers and construction will be awarded in amount of about \$18,500,000; the sum of \$11,985,000 will be used to purchase machinery and equipment as previously announced in letters of intent, which will be taken over by Federal Cartridge Corporation.)

J. A. Jones Construction Co., Charlotte, N. C.; construction of buildings and utilities at Fort Jackson, S. C.; \$581,577.

Ehret-Day Co., Asbury Park, N. J.; construction of an antiaircraft detection and photographic laboratory at Ft. Monmouth, N. J.; \$1,270,000.

Tellepsen Construction Co., Houston, Tex.; construction of additional temporary buildings at Ellington Field, near Houston, Tex.; \$688,194.

Four contractors: James L. Ferry, E. P. Ferry, Sander Pearson, and Haines Canyon Materials Co., Glendale, Calif.; construction of apron, runways, taxiways, and appurtenant facilities, Muroc Bombing Range, Muroc Lake, Calif.; \$1,300,404.

Two contractors: White Consolidated, Inc., Chicago, Ill., Breslin Construction Co., Louisville, Ky.; 7-inch reinforced concrete paving at Fort Knox, Ky.; \$579,076.

Tulsa Rig, Reel and Mfg. Co., Tulsa, Okla.; construction of motor repair shops, grease inspection racks, oil houses, and wash racks at Fort Leonard Wood, Mo.; \$610,000.

Western Construction Co., Seattle Wash.; construction of warehouse including utilities at Seattle QM Depot, Wash.; \$1,525,450.

A. J. Tobin Construction Co., Kansas City, Kans.; construction of concrete runway, taxi

strips and aprons, installation of drainage system, filling, excavation, removal of existing asphalt pavement, etc., Fairfax Airport, Kansas City Aircraft Assembly Plant, Kans.; \$1,687,021.

General Motors Corporation, Buick Motor Division, Chicago, Ill., and Flint, Mich.; expansion of Melrose Center, Ill., plant and additional machinery and equipment in both the Melrose Center and Flint, Michigan, plants; \$10,267,043. (Defense Plant Corporation agreement.)

General Motors Corporation, Fisher Body Division, Detroit, Mich., and Muncie, Ind.; acquisition of additional machinery and equipment for use in manufacturing parts and accessories for aircraft; \$894,001. (Defense Plant Corporation agreement.)

The New Britain Machine Co., New Britain, Conn.; additional plant facilities at New Britain and Berlin, Conn., for manufacture of automatic screw machines; \$650,000.

Hugh McMath, Columbus, Ga.; grading bituminous paved roads at Fort Benning, Ga.; \$650,032.

EQUIPMENT AND SUPPLIES

Yellow Truck & Coach Mfg. Corporation, Detroit, Mich.; cargo body trucks; \$4,281,987. Rogers Bros. Corporation, Albion, Pa.; tank trailers; \$1,637,195.

The Winter-Weiss Co., Denver, Colo.; trailers; \$1,097,200.

Diamond T Motor Co., Chicago, Ill.; tank transporters; \$10,096,769.

Mack Mfg. Co., Long Island City, N. Y.; chassis and cargo bodies; \$551,672.

Willis Overland Co., Toledo, Ohio; ¼-ton reconnaissance trucks; \$13,411,864.

Mt. Vernon-Woodberry Mills, Inc., Baltimore, Md.; 4,100,000 yds. cotton tent duck; \$951,200.

Sperry Gyroscope Co., Brooklyn, N. Y.; searchlight units; \$5,464,450.

Flour City Ornamental Iron Co., Minneapolis, Minn.; pontoon sets, \$606,216.

General Motors Corporation, Chevrolet Division, Flint, Mich.; light sedan cars; \$643,076.

White Motor Co., Cleveland, Ohio; 6-ton trucks; \$585,000.

West Point Mfg. Co., Lanett Mill, Lanett, Ala.; 3,000,000 yards cotton twill tent cloth; \$636,300.

General Electric Co., Bridgeport, Conn.; flying gloves, shoes, and suits; \$720,000.

General Motors Corporation, New York, N. Y.; trucks and parts; \$2,726,873.

Mack Mfg. Co., Allentown, Pa.; trucks; \$532,433.

Kennedy-Van Saun Mfg. & Engineering Co., Danville, Pa.; lathes; \$929,700.

Harley Davidson Motor Co., Milwaukee, Wis.; motorcycles; \$565,515.

International Harvester Co., Fort Wayne, Ind.; trucks; \$757,358.

J. P. Stevens & Co., New York, N. Y.; 1,600,000 yards cotton cloth; \$562,000.

Cone Export & Commission Co., Greensboro, N. C.; 1,750,000 yards cotton cloth; \$611,275.

Reeves Brothers, Inc., New York, N. Y.; 2,785,000 yards cotton cloth; \$968,271.

Graniteville Co. by McCampbell & Co., Graniteville, S. C.; 1,800,000 yards cotton cloth; \$625,860.

J. L. Stifel & Sons, Wheeling, W. Va.; 4,200,000 yards cotton cloth; \$1,388,940.

Reeves Brothers, Inc., New York, N. Y.; 7,560,000 yards cotton drilling cloth; \$1,694,809.

Diamond T Motor Car Co., Chicago, Ill.; trucks; \$1,961,373.
Rlegel Textile Co., New York, N. Y.; 2,900,000 yards drill cotton; \$519,390.

ORDNANCE

Van Norman Machine Tool Co., Springfield, Mass.; milling machines; \$744,100.

Robert Shaw Thermostat Co., Youngwood, Pa.; boosters; \$895,923.

Noblitt-Sparks, Inc., Greenwood, Ind.; castings, burster, with metal parts; \$677,396.

Auto Specialties Mfg. Co., St. Joseph, Mich.; shell; \$595,000.

King-Seeley Corporation, Ann Arbor, Mich.; fin assembly; \$553,932.

Framanco Co., Boston, Mass.; shells; \$545,670.

Burgess Co., Inc., Beaver Falls, Pa.; \$910,000. Automatic Machine Products Co., Attleboro, Mass.; percussion primers; \$621,756.

Stewart-Warner Corporation, Chicago, Ill.; fuze; \$1,884,923.

Westinghouse Air Brake Co., Wilmerding, Pa.; boosters; \$544,000.

Harrisburg Steel Corporation, Harrisburg, Pa.; demolition bombs, including fin and assembly; \$1,402,300.

The Crosley Corporation, Cincinnati, Ohio; bomb shackle assemblies; \$729,995.

Oneida Ltd., Oneida, N. Y.; bomb shackle assemblies; \$546,158.

Servel, Inc., Evansville, Ind.; cartridge cases; \$797,297.

Compress Buckle Co., Attalla, Ala.; shells; \$920,000.

General Motors Corporation, Guide Lamp Division, Anderson, Ind.; cartridge cases; \$2,450,000.

Bridgeport Brass Co., Bridgeport, Conn.; brass cartridge discs; \$758,827.

AIRCRAFT

Vultee Aircraft, Inc., Downey, Calif.; airplanes and spare parts; \$14,518,707.

Beech Aircraft Corporation, Wichita, Kans.; airplanes and spare parts; \$12,610,125.

INFORMAL LETTER CONTRACTS

CONSTRUCTION

Two contractors: Cage Brothers and F. M. Reeves & Sons, Inc. Austin, Tex.; primary stage of construction of Twin Engine and Bombardier School at Midland, Tex.; \$2,800,000.

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Larger shoe sizes boost cost of Army supply

A slight increase in the average price paid for the Army's recent purchase of 1,000,008 pairs of service shoes is due to the fact that field experience has shown the need for larger shoe sizes, the Division of Purchases, OPM, said August 9. Shoes bought in the recent purchase average a full size larger than previous purchases.

Average price paid on the recent procurement, which was made on a basis of 75 percent composition soles and 25 percent leather soles, was approximately \$3.40 per pair.

131 Certificates of Necessity for plant expansion issued July 16 through July 31

From July 16 to July 31, inclusive, 131 Certificates of Necessity were issued to 108 corporations, the National Defense Advisory Commission announced this week. These certificates were issued in connection with the construction and acquisition of new plant and manufacturing facilities, the estimated cost of which was \$58,102,000.

The cost of facilities covered to date was estimated at \$1,113,107,000.

A compilation of firms for the last half of July, and estimated cost of facilities follows:

Accurate Steel Treating Co., Chicago, Ill., heat treating of flanges, worms and gears; \$22,000.

Adirondack Foundries & Steel, Inc., Watervliet, N. Y., carbon and low alloy steel castings; \$166,000.

Allegheny Ludlum Steel Corporation, Brackenridge, Pa., alloy steel ingots; \$58,000. Charles G. Allen Co., Barre, Mass., drilling and tapping machines; \$55,000.

American Chain & Cable Co., Inc., Bridgeport, Conn., tire chains and cotter pins; \$37,000.

Anaconda Wire & Cable Co., New York, N. Y., telephone wire and shipboard cable; \$14,000.

Arter Grinding Machine Co., Worcester, Mass., surface grinders; \$20,000.

E. C. Atkins and Co., Indianapolis, Ind., metal cutting saws; \$47,000.

Atlas Foundry Co., Irvington, N. J., stainless, carbon, and alloy steel castings; \$3,000.

Barnebey-Cheney Engineering Co., Columbus, Ohio, charcoal; \$535,000.

The Barrett Co., New York, N. Y., beta picoline; \$31,000.

Bendix Aviation Corporation, South Bend, Ind., airplane parts; \$53,000.

Benrus Watch Co., Inc., New York, N. Y., components for time fuzes; \$20,000.

Boeing Airplane Co., Wichita, Kans., airplane spare parts; \$23,000.

The Bolta Co., Lawrence, Mass., hard rubber foot tubs and trays; \$5,000.

Borg Warner Corporation, Detroit Gear Aircrafts Parts Division, Detroit, Mich., aircraft engine parts; \$225,000.

The Bunting Brass & Bronze Co., Toledo, Ohio; bronze bushings and bearings; \$93,000.

Camden Forge Co., Camden, N. J.; parts for battleships, cruisers, and destroyers; \$54,000.

Carboloy Co., Inc., Macomb County, Mich.; cutting tools, dies and wear parts; \$5,000.

The Carlton Machine Tool Co., Cincinnati, Ohio; radial drills; \$3,000.

The Carpenter Steel Co., Reading, Pa.; steel products; \$1,040,000.

Carrier Corporation, Syracuse, N. Y.; parts for turret guns and mounts; \$56,000.

Chandler Products Corporation, Euclid, Ohio; cap screws; \$25,000.

The Cincinnati Bickford Tool Co., Cincinnati, Ohio; machine tools; \$149,000.

Cincinnati Milling Machine Co., Cincinnati, Ohio; milling and grinding machines; \$1,290,000.

Cone Automatic Machine Co., Windsor, Vt.; automatic screw machines; \$190,000.

Crucible Steel Company of America, New York, N. Y.; processing blooms, billets, and slabs; \$2,445,000.

Cunningham Elevator Co., Spokane, Wash.; storage of grain; \$10,000.

Cuno Engineering Corporation, Meriden, Conn.; airplane engine filters; \$141,000.

Curtiss-Wright Corporation, Buffalo, N. Y.; airplanes; \$2,000.

Dixie Mercerizing Co., Chattanooga, Tenn.; combed cotton yarn; \$109,000.

Dresser Manufacturing Co., Bradford, Pa.; aircraft forgings; \$13,000.

Eastman Kodak Co., Rochester, N. Y.; time fuzes, telescopes and parts, and aviation parts; \$98,000.

Electro Metallurgical Co., New York, N. Y.; electric furnace ferro-alloys; \$1,150,000.

Evans Products Co., Detroit, Mich.; machine gun mounts; \$36,000.

The Falk Corporation, Milwaukee, Wis.; gear reduction units; \$45,000.

Foster Wheeler Corporation, New York, N. Y.; boilers, condensers, and economizers; \$37,000.

The Gabriel Co., Cleveland, Ohio; machining and assembling for shells; \$6,000.

General Electric Co., Schenectady, N. Y.; propeller motors for aircraft; \$81,000.

General Motors Corporation, Detroit, Mich.; airplane engines and parts for cooling systems; \$204,000.

The Globe Brick Co., East Liverpool, Ohio; ladle bricks; \$98,000.

Gould and Eberhardt, Newark, N. J.; shap- ing, hobbing, and gear machines; \$78,000.

Great Lakes Steel Corporation, Detroit, Mich.; steel plates; \$1,329,000.

Greenfield Tap and Die Corporation, Greenfield, Mass.; high speed taps; \$53,000.

The Higley Aircraft Corporation, Denver, Colo.; machine work on airplane parts; \$7,000.

The International Nickel Co., New York, N. Y.; refined nickel; \$180,000.

Jerpe Commission Co., Inc., Omaha, Nebr.; dried eggs; \$340,000.

Jones & Lamson Machine Co., Springfield, Vt.; machine tools, lathes and grinders; \$248,000.

Joslyn Mfg. & Supply Co., Chicago, Ill.; alloy steel bars; \$32,000.

Kilgore Manufacturing Co., International Flare-Signal Division, Tipp City, Ohio; parachute flares and signals; \$4,000.

Koppers Co., Baltimore, Md.; piston and sealing rings; \$130,000.

Lehigh & New England Railroad Co., Philadelphia, Pa.; transportation; \$1,153,000.

Liberty Aircraft Products Corporation, Farmingdale, Long Island, N. Y., aircraft parts; \$12,000.

Linde Air Products Co., New York, N. Y., compressed oxygen; \$1,671,000.

The Locomotive Finished Material Co., Atchison, Kans.; milling machines and projectile hoist castings; \$20,000.

Los Angeles Shipbuilding & Drydock Corporation, San Pedro, Calif.; ships; \$77,000.

Manley & Mount Street Realty Corporation, Weehawken, N. J.; hospital equipment of stainless steel; \$93,000.

Mergenthaler Linotype Co., Brooklyn, N. Y.; precision optical instruments; \$15,000.

Merriman Bros., Inc., Boston, Mass.; turn- buckles, sheaves, and voice tubes; \$18,000.

Metal Specialty Co., Cincinnati, Ohio; anti- tank mines; \$19,000.

Mexico Refractories Co., Mexico, Mo.; fire bricks; \$200,000.

Miehle Printing Press & Mfg. Co., Chicago, Ill.; machine tools, gun mounts and sights; \$13,000.

The Monarch Machine Tool Co., Sidney, Ohio; metal working lathes; \$30,000.

Monsanto Chemical Co., St. Louis, Mo.; chemicals and oil; \$1,865,000.

Moore Dry Dock Co., San Francisco, Calif.; ships, caisson gates and wind tunnels; \$58,000.

Mt. Pulaski Farmers Grain & Elevator Co., Mt. Pulaski, Ill.; storage of grain; \$7,000.

The Mullite Refractories Co., Shelton, Conn.; fire bricks; \$44,000.

The National Supply Co., Springfield, Ohio; Diesel engines; \$718,000.

The National Twist Drill & Tool Co., De- troit, Mich.; twist drills, reamers and hobs; \$8,000.

New York Central Railroad Co., New York, N. Y.; transportation; \$11,571,000.

Norris Stamping & Manufacturing Co., Los Angeles, Calif.; cartridge and howitzer cases; \$20,000.

North Electric Manufacturing Co., Gallon, Ohio; telephones and accessories; \$5,000.

North Pacific Railway Co., St. Paul, Minn.; transportation; \$10,352,000.

Ohio Forge & Machine Corporation, Cleve- land, Ohio; parts for machine tools and gears for Diesel engines; \$36,000.

Otis Elevator Co., New York, N. Y.; steel, castings and aircraft turret ring gears; \$109,000.

F. H. Peavey and Co., Minneapolis, Minn.; storage of grain; \$278,000.

The Pennsylvania Railroad Co., Philadel- phia, Pa.; transportation; \$5,000.

Pittsburgh Metallurgical Co., Inc., Niagara Falls, N. Y.; manufacture of ferro alloys; \$32,000.

Pittsburgh Plate Glass Co., Pittsburgh, Pa.; calcene and chlorine; \$2,841,000.

W. A. Robinson, Inc., Ipswich, Mass.; mine sweepers; \$35,000.

Rockbestos Products Corporation, New Haven, Conn.; insulated electric cable; \$175,000.

Romec Pump Co., Elyria, Ohio; aircraft pumps and parts; \$2,000.

Screw Machine Products Co., Milwaukee, Wis.; parts for brakes, electric control de- vices, and milling machine parts; \$13,000.

The Seymour Manufacturing Co., Seymour, Conn.; brass strip or coil; \$158,000.

Sloss-Sheffield Steel & Iron Co., Birming- ham, Ala.; dolomite; \$14,000.

Southern Asbestos Co., Charlotte, N. C., asbestos products for shipboard use; \$87,000.

Spartan Aircraft Co., Tulsa, Okla., training of pilots and airplanes and parts; \$44,000.

Standard Milling Co., Chicago, Ill., storage of grain; \$375,000.

The Standard Oil Co., Cleveland, Ohio, aviation gasoline; \$574,000.

Standard Parachute Corporation, San Diego, Calif., parachutes and parts; \$4,000.

Stewart-Warner Corporation, Chicago, Ill., fuzes and aircraft engine parts; \$112,000.

Stolper Steel Products Corporation, Mil- waukee, Wis., fabricated sheet metal parts; \$45,000.

Stratton Grain Co., Milwaukee, Wis., stor- age of grain; \$75,000.

T. C. M. Manufacturing Co., Harrison, N. J., machine tools of tungsten carbide; \$17,000.

Texas Mining & Smelting Co., Laredo, Tex., antimony metal and oxide; \$30,000.

United Aircraft Corporation, East Hartford, Conn., aircraft engines and parts; \$9,607,000.

The Union Metal Manufacturing Co., Can- ton, Ohio, castings and sheet metal products; \$107,000.

Wah Chang Trading Corporation, New York, N. Y., tungsten; \$30,000.

O. S. Walker, Inc., Worcester, Mass., mag- netic chucks and grinding machines; \$1,000.

P. Wall Manufacturing Supply Co., Pitts- burgh, Pa., practice bomb; \$15,000.

The Wayne Pump Co., Fort Wayne, Ind., pounders and millimeter shells; \$117,000.

Welding Engineers, Inc., Philadelphia, Pa., weldments; \$77,000.

Peter Wendel & Sons, Inc., Irvington, N. J., truck bodies and rooster purifiers; \$13,000.

Western Pipe & Steel Company of Cali- fornia, San Francisco, Calif., seaplane and destroyer tenders; \$173,000.

Westinghouse Electric & Mfg. Co., Pitts- burgh, Pa., propulsion gear units; \$82,000.

Wilmot Castle Co., Rochester, N. Y., steri- lizers, surgical and dental lights; \$32,000.

Wyman-Gordon Co., Worcester, Mass., air- craft engines, forgings and propeller assem- blies; \$430,000.

The Youngstown Sheet & Tube Co., Youngstown, Ohio, sinter, iron ore, flue dust, and steel ingots; \$3,300,000.

HOUSING . . .

More than 1,200 defense homes completed in week, 2,000 put under contract

More than 1,200 homes for defense workers were completed, and approximately 2,000 placed under construction contract the week ending August 2, C. F. Palmer, Coordinator of Defense Housing, announced August 8.

665 in Corpus Christi

Areas to report the largest number of completions are Corpus Christi, Tex., with 665 homes for enlisted and civilian personnel, and Alexandria, Va., with 245 homes for civilian workers—all constructed by the Navy. Among other localities to report completions are McChord Field, Wash., with 100 homes for enlisted personnel built by the Public Buildings Administration; Alameda, Calif., with 98 homes for enlisted personnel built by the United States Housing Authority; and Arlington, Va., with 35 homes for enlisted personnel built by the Public Buildings Administration.

Pittsburgh to get 1,101

Construction contracts were awarded in Pittsburgh for 1,101 homes for civilian workers by the Federal Works Agency. This agency also awarded contracts for 115 homes at Macon, Ga., and 100 at Hinesville, Ga., both for enlisted and civilian personnel.

Under the temporary shelter program, 61 single dormitory units were completed in Baltimore for aircraft workers during the week.

As of August 2, homes totaling 109,688 had been allocated for defense workers in 171 localities of 49 States and Territories. More than 78,000 of these homes have been placed under construction contract, and approximately 26,000 have been completed.

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"Repair for Defense" drive to be launched

The building and allied industries, with the cooperation of lending institutions and the Federal Housing Administration, are launching a "Repair for Defense" campaign next month with special emphasis on repairing and converting houses in defense areas to provide immediate additional housing for defense workers.

Congress prepared the way for the campaign by amending Title I of the National Housing Act in June, extending insurance of repair loans for two years, increasing the authorized amount of outstanding insurance from \$100,000,000 to \$165,000,000, and raising the maximum amount of loans for repair or conversion of houses designed or to be designed for two or more families from \$2,500 to \$5,000. The maximum amount for improvement of all other types of property (including single-family homes) remains at \$2,500.

Silk noils, waste, reclaimed fiber under mandatory control

The entire domestic supply of silk waste, silk noils, and reclaimed silk fiber was placed under mandatory priority control August 10 in an order signed by Priorities Director Stettinius.

The order was issued after consultations between representatives of the Army and Navy Munitions Board, the Office of Price Administration and Civilian Supply, and the Labor Division of the Office of Production Management. It requires that no deliveries of silk waste, silk noils, or garnetted or otherwise reclaimed silk fiber now in the country be made without specific authorization from the Director of Priorities.

The order further prohibits the processing after August 9 of waste, noils, or reclaimed fiber except to fill a defense order, unless specifically authorized by the Director of Priorities.

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Hillman asks silk processors to limit week to 40 hours

Sidney Hillman, Associate Director General of OPM, has asked all processors of silk, rayon, and hosiery to limit the work-week rigidly to 40 hours to help meet the acute unemployment problem created by lack of silk supplies and inadequate production of American yarns.

"While the industry as a whole is cooperating with the Government to solve the various problems which have arisen from the freezing," his letter said, "one of the chief questions which must be clarified and overcome, immediately, is that of unemployment.

"I understand that employees in a substantial number of silk mills are working more than 40 hours a week."

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Stettinius prohibits making of white sidewall tires

The manufacture of white sidewall automobile tires was prohibited August 8 in an order signed by Priorities Director Stettinius.

The order takes effect at midnight, August 23, 1941.

It is estimated that cessation of white sidewall tire manufacture will save more than 6,000 tons of crude rubber a year, or over 13,000,000 pounds.

Manufacture of white-wall tires consumes approximately two pounds more crude rubber per tire.

STATUS OF PUBLIC DEFENSE HOUSING CONSTRUCTION AUGUST 2, 1941

	Funds allocated		Contracts awarded		Completed	
	Aug. 2	July 26	Aug. 2	July 26	Aug. 2	July 26
Number of States and Territories.....	49	49	47	47	33	33
Number of localities.....	171	171	153	151	83	77
Number of projects.....	420	420	278	268	112	98
Number of family dwelling units (regular).....	109,688	109,688	78,465	76,374	25,954	24,670
Civilian industrial workers in private defense industry.....	49,515	49,515	29,523	27,747	5,155	4,864
Civilian industrial workers in Government plants.....	19,201	19,201	14,997	14,997	4,133	4,092
Other civilians, employed by the Army and Navy.....	10,642	10,642	8,804	8,804	3,191	3,191
Married enlisted personnel.....	30,330	30,330	25,141	24,826	13,475	12,523
Number of family dwelling units (trailers).....	4,154	4,154	3,634	3,634	1,675	1,675
Civilian industrial workers in private defense industry.....	3,534	3,534	3,234	3,234	1,675	1,675
Civilian industrial workers in Government plants.....	620	620	400	400		
Number of units for single persons.....	9,591	9,591	7,124	7,124	3,670	3,609

NUMBER OF NEW HOMES STARTED UNDER FHA INSPECTION

January 1 through August 2.....	125,001
Week ended August 2.....	4,910

35 men appointed to copper and zinc industry committee

Appointment of a copper and zinc defense industry advisory committee was announced August 7 by the Bureau of Clearance of Defense Industry Advisory Committees, OPM.

The committee is composed of 35 men representing the five principal divisions of the industry—copper producers, zinc producers, brass and copper sheet rolling and tube forming industry, copper wire and cable manufacturers, and zinc fabricators.

John A. Church, of the Division of Priorities, has been designated Government Presiding Officer of the Committee.

Membership of the committee follows:

E. W. Furst, general manager, Grasselli Chemical Department, E. I. DuPont de Nemours & Co., Wilmington, Del.; E. C. Hegele, president, Hegeler Zinc Co., Danville, Ill.; F. E. Chesney, purchasing agent, American Steel & Wire Co., Cleveland, Ohio; D. A. Beam, Penn. Galvanizing Co., Philadelphia, Pa.; Charles Pack, president, Doehler Die Casting Co., New York, N. Y.; S. B. Coolidge, Jr., manager of auxiliaries, The Sherwin-Williams Co., Cleveland, Ohio; John A. Coe, Jr., vice president, American Brass Co., Waterbury, Conn.; J. A. Doucett, vice president, Revere Copper & Brass Co., Inc., New York, N. Y.; William M. Goss, vice president, Scovill Manufacturing Co., Waterbury, Conn.; B. N. Zimmer, vice president, American Metal Co., Ltd., New York, N. Y.; F. L. Riggan, president, Mueller Brass Co., Port Huron, Mich.

J. P. Lally, president, C. G. Hussey & Co., Pittsburgh, Pa.; H. T. Randall, president, Riverside Metal Co., Riverside, N. J.; Robert E. Dwyer, executive vice president, Anaconda Copper Mining Co., New York, N. Y.; C. T. Ulrich, vice president, Kennecott Copper Corporation, New York, N. Y.; James F. McClelland, vice president, Phelps Dodge Corporation, New York, N. Y.; A. J. McNab, Magna Copper Co., New York, N. Y.; Kenneth C. Brownell, vice president, American Smelting & Refining Co., New York, N. Y.; A. E. Petermann, vice president, Calumet & Hecla Consolidated Copper Corporation, Calumet, Mich.; Wylie Brown, president, Phelps Dodge Copper Products Corporation, New York, N. Y.; Marshall L. Hovey, vice president, New Jersey Zinc Co., New York, N. Y.; Irwin H. Cornell, vice president, St. Joseph Lead Co., New York, N. Y.

B. Eikan, president, International Minerals & Metal Corporation, New York, N. Y.; Howard I. Young, president, American Zinc, Lead & Smelting Co., St. Louis, Mo.; L. S. Thomas, president, General Smelting Co., Philadelphia, Pa.; W. E. Sprackling, vice president, Anaconda Wire & Cable Co., New York, N. Y.; George W. Potter, vice president, Eagle-Picher Lead Co., Cincinnati, Ohio; D. R. G. Palmer, president, General Cable Corporation, New York, N. Y.; Everett Morse, president, Simplex Wire & Cable Co., Cambridge, Mass.; F. C. Jones, president, Okonite Co., Passaic, N. J.; H. L. Erlicher, vice president, General Electric Co., Schenectady, N. Y.; C. A. Scott, executive vice president, Rome Cable Co., Rome, N. Y.; Ernest V. Gent, American Zinc Institute, Washington, D. C.; R. L. Coe, president, Kennecott Wire & Cable Co., New York, N. Y.; R. R. Eckert, secretary, United States Copper Association, New York, N. Y.

SHORE ASSISTANT CHIEF OF BUREAU OF CLEARANCE

Sidney J. Weinberg, Chief of the Bureau of Clearance of Defense Industry Advisory Committees, announced August 7 that he has appointed T. Spencer Shore assistant chief of the Bureau of Clearance to succeed Robert H. Webb-Peploe, who recently resigned. Mr. Shore is on temporary leave from the General Tire and Rubber Co., of Akron, Ohio, with which he was connected as vice president and treasurer.

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OPM and OPACS call for trained industrial specialists

A call for trained industrial specialists to fill important defense jobs was issued August 4 by OPM Director General Knudsen and OPACS Administrator Henderson.

Indorsing a scheduled civil service examination, the defense officials pointed out that the development of an all-out defense program has shown the need for more experts on industrial problems in Government service. Experience in the last war proved that an adequate supply of Government officials with technical and practical knowledge is essential, they added.

The defense chiefs explained that they do not wish to cripple any defense industry by taking away key administrative or technical personnel. However, the seriousness of the emergency requires that all available executive manpower be used with maximum effectiveness in the country's interests.

To use several hundred

The U. S. Civil Service Commission has called for applications for several classes of industrial specialists, with salaries ranging from \$2,600 to \$6,500 a year. A general recruiting drive has been started, and open continuous examinations will be held in the near future for business specialists, economists, and accountants. The Commission has extended the period for receipt of applications.

The recruiting drive will be conducted with the aid of schools of business administration, private industries, universities, and trade groups.

Both OPM and OPACS expect to utilize the services of several hundred of these business specialists once they pass the civil service examination.

Members of passenger car subcommittee announced

The Bureau of Clearance of Defense Industry Advisory Committees August 7 announced formation of a passenger car subcommittee of the automotive defense industry advisory committee. The committee was formed at the request of James S. Adams, chief of the Automotive Industry Branch, Division of Production.

Membership follows:

I. T. O'Brien, vice president, Chrysler Corporation, Detroit, Mich.; R. C. Cosgrove, vice president and general manager, The Crosley Corporation, Cincinnati, Ohio; H. Murray Northrup, chief engineer, Hudson Motor Car Co., Detroit, Mich.; G. W. Mason, president, Nash-Kelvinator Corporation, Detroit, Mich.; Thomas W. Skinner, Ford Motor Co., Dearborn, Mich.; Donaldson Brown, vice chairman, General Motors Corporation, Detroit, Mich.; J. W. Fraser, president, Willys-Overland Motors, Inc., Toledo, Ohio; William Packer, vice president, Packard Motor Car Co., Detroit, Mich.; Paul G. Hoffman, president, the Studebaker Corporation, South Bend, Ind.

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Nine members of steel valve industry committee announced

Appointment of nine members of a steel valve defense industry advisory committee was announced August 6 by the Bureau of Clearance of Defense Industry Advisory Committees.

Carl M. Lynge, of the Division of Production, has been designated Government Presiding Officer of the committee.

Members of the committee are: W. B. Holton, Jr., president, The Walworth Co., Inc., New York City; Ernest Cochran, sales manager, Chapman Valve Manufacturing Co., Indian Orchard, Mass.; J. P. Ferguson, sales manager, Reading-Pratt & Cady Co., Inc., Hartford, Conn.; O. F. Gang, vice president, The William Powell Co., New York City; Bernard J. Lee, Sr., vice president, Jenkins Brothers, Bridgeport, Conn.; W. H. Pape, manager of sales, Valves and Fitting Division, The Crane Co., Chicago, Ill.; Charles W. Buggage, secretary, The Lukenheimer Co., Cincinnati, Ohio; W. G. Swaney, general manager, Kerotest Manufacturing Co., Pittsburgh, Pa.; W. F. Crawford, president, The Edward Valve & Manufacturing Co., East Chicago, Ind.

TRANSPORTATION . . .

Railroads cooperate in double task of moving old and new grain at same time

Railroads are handling the heavy grain harvest of 1941 without transportation difficulty, according to reports reaching Ralph Budd, Transportation Commissioner, from the Association of American Railroads and others interested in the grain movement.

In the Southwest and Central West, where the harvest is completed, cars were provided for every bushel of grain which could be unloaded at any market. In the Northwest, where the harvest of the near-record crop is now under way, the railroads are prepared to move every bushel for which storage can be found.

Face unprecedented situation

In handling the 1941 crop, the railroads faced an unprecedented situation. With a record-breaking carry-over of more than 400,000,000 bushels of old wheat, elevators in the grain belt were already filled to from one-half to three-fourths of their capacity before the new harvest began. To make room for the storage of the new crop, old grain had to be moved out to elevators at distant points where room could be found for it.

Most of the stored grain was held under Government loans which did not mature until so late in the spring that the movement of the grain could not be started until just at the beginning of the harvest.

Double planning required

This double task of handling the grain of two crops at the same time required double planning on the part of the railroads. While empty cars were being moved into the grain belt to build up the reserve supply necessary to handle the new harvest, other cars were being sent out, carrying as much of the old grain as storage could be found for at distant points, altogether more than 75,000,000 bushels.

In spite of this unprecedented double movement, the railroads built up at country loading stations in the West a reserve supply of grain cars which, at its peak, numbered 30,263 cars, nearly 5,000 more than were stored in reserve for grain movement at the peak a year ago.

Railroads cooperate to meet test

Handling the movement of the wheat crop even in an ordinary year is a test of

transportation capacity and organization. Under this year's extraordinary conditions, the test was even more severe. That the railroads were able to meet it was due to the close cooperation of all lines, Eastern and Southern as well as Western, working under the direction of the Car Service Division of the Association of American Railroads.

Before the Southwestern movement was completed, storage space at all the Southwestern markets was almost completely filled. At Kansas City, St. Louis, and Salina, at the request of the grain interests and to forestall congestion, an embargo was placed against further movements for storage. The same condition now prevails at Minneapolis and Duluth-Superior in the Northwestern grain belt, with the spring wheat loading barely started. No more can be received for storage at these points until some of the carry-over now there is moved out.

For like reasons, because the terminal elevators at these points are filled, no more grain can be moved at this time for storage at Philadelphia and Baltimore on the Atlantic Coast, at the Puget Sound and Columbia River ports in the Northwest, and for certain elevators at Cincinnati, Louisville, and Toledo, in the interior. As space becomes available at these points, shipments for storage are being accepted. On the other hand, should storage space at any of the elevator points which are now open be filled up, shipments to those points for storage will have to be halted. In all cases, grain intended for immediate sale and not for storage is being accepted for shipment to these points.

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7,354 tank cars available to move oil in East, survey shows

There are 7,354 tank cars immediately available for movement of petroleum and products in the East, according to a survey made of all tank car owners and operators by the Tank Car Service Committee and reported to Ralph Budd, Transportation Commissioner, OEM. This information has been furnished to Oil Coordinator Ickes by Mr. Budd and will later be augmented.

July ore movement on Lakes sets all-time record

The movement of iron ore on the Great Lakes during July totaled 11,390,485 long tons setting an all-time record for any single month, according to reports made to Ralph Budd, Transportation Commissioner, by the Lake Superior Iron Ore Association.

This figure exceeds by more than 300,000 tons the previous record established in May of this year and compares with a movement of 10,534,431 long tons during July of last year.

Reports through the week ended August 2 from the four principal ore-handling railroads, which carry about 93 percent of ore moving by the Great Lakes, showed that they have loaded into boats at upper lake ports this season a total of 39,492,552 gross tons of iron ore as compared with 27,386,727 tons during the corresponding period in 1940, or an increase of 12,105,825 tons.

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Carloadings show decline due to falling off in grain shipments

Revenue freight carloadings during the week ended August 2 totaled 883,065 cars, an increase of 23.0 percent over the 717,927 cars loaded during the corresponding week in 1940. Principally due to falling off of grain and grain products loadings, the performance during the current week represented a decrease of 14,000 cars under the preceding week when loadings totaled 897,399 cars. Miscellaneous carloadings totaled 364,292, an increase of 30.4 percent over the 279,305 cars loaded during the corresponding week in 1940.

CARLOADINGS—WEEK ENDED AUGUST 2

	1941	1940	Percent increase
Grain and grain products.....	46,142	40,690	13.4
Livestock.....	9,759	8,116	7.1
Coal.....	166,144	122,716	35.4
Coke.....	13,132	10,657	23.2
Forest products.....	50,644	36,610	38.3
Ore.....	77,228	68,547	12.7
Merchandise l. c. l.....	155,724	150,286	3.6
Miscellaneous.....	364,292	279,305	30.4
Total.....	883,065	717,927	23.0
Cumulative (30 weeks).....	24,142,920	20,454,912	18.0

AGRICULTURE . . .

(Information furnished through Office of Agricultural Defense Relations,
U. S. Department of Agriculture)

Linters scarce, new process adapts staple cotton to powder manufacture

Defense supplies of smokeless powder for big guns, anti-aircraft shells and army rifles may be made from staple cotton instead of cotton linters, as a result of U. S. Department of Agriculture research. The linters, short fuzzy fibers removed from cottonseed after the ginning process, are particularly adapted to nitrating for the powder, but the present demand for this purpose and for certain other uses is far beyond the supply.

The Bureau of Agricultural Chemistry and Engineering, at its Southern Regional Research Laboratory, found that good quality, clean cotton fiber of lengths ordinarily used in fabrics, when cut to a suitable length, apparently is as well adapted to the powder-making process as the linters.

New machines process cotton

The research men have designed machines for processing the cotton cheaply and quickly and some such machines have already been built.

One of these machines operates like a giant lawn mower and cuts batts of cot-

ton four inches thick at the rate of 2,400 cuts a minute or two tons of cotton an hour. A second machine, of different type, cuts the cotton down still farther to the best length for nitration. The short pieces of fiber thus prepared can be readily pumped through the various processes in liquid suspension without "roping" or "spinning," the difficulties that literally and figuratively "tied up" production when attempts were made to use the longer fibers for this purpose.

To make commercial test runs

The cotton prepared by these machines for nitrating can hardly be distinguished from the linters that have been found so satisfactory. Quantities of the cut cotton are now being prepared for commercial test runs in the manufacture of smokeless powder. The new source of material indicates the possibility that the powder demand for linters can be met either with linters or with cut cotton and that there need not be interference with supplies of suitable material for other purposes such as for cellulose acetate rayon, cellulose acetate plastics, and nitro-cellulose lacquers.

Soybean and cotton growers join hands to put safety helmet on defense workers

The soybean grower and the cotton farmer are joining hands, so to speak, to put a safety hat on defense and other workers.

Heavy cotton cloth is being treated with a soybean material to make plastic helmets.

Of course, these plastic helmets won't turn a bullet like a metal helmet. But tests by the U. S. Department of Agriculture indicate they're all right, say, for men working in mines and on construction jobs. The "soy" and cotton helmets protect the worker's head from falling tools, boards, bricks, and so on.

The Department thinks these plastic helmets also might serve in place of metal helmets for home defense under conditions such as in London where about half of the bombing-raid injuries requiring first-aid are said to be caused by falling

glass. These new cotton-soybean helmets not only are lighter than metal helmets, but they also can be made faster, more cheaply in large-scale production—and they save metal for other uses. These helmets can be made strong enough so that they will withstand a blow of 40 foot pounds, which is all the human neck will stand.

The first plastic material from a farm crop was made from corn cobs about 20 years ago by chemists of the U. S. Department of Agriculture.

This latest development with plastics—the cotton and soybean helmets—also have been developed by Department chemists, the soybean workers at the U. S. Soybean Products Laboratory at Urbana, Ill., and the cotton workers at the Southern Regional Research Laboratory at New Orleans.

Townsend to be liaison officer with Maritime Commission

M. Clifford Townsend, director, Office of Agricultural Defense Relations, has been appointed by Secretary Wickard to serve as the Department of Agriculture's liaison officer with the Division of Emergency Shipping, U. S. Maritime Commission.

The appointment was made at the request of Chairman E. S. Land of the Maritime Commission, who asked that official liaison be established with the Maritime Commission so that agriculture's shipping problems may be handled expeditiously and effectively.

In his request to Secretary Wickard, Chairman Land said in part:

"Liaison has been established with the War and Navy Departments and other agencies of the Government known to have requirements for merchant vessel tonnage and facilities for ocean transportation; regular conferences are conducted with vessel owners and operators in the various trade routes; and no effort has been spared by the Commission to insure the best possible utilization of vessels available for the importation of critical and strategic materials essential in the national defense program, the export transportation of material and supplies to our national defense activities, and to maintain insofar as possible the flow of essential civilian commodities common to the normal economy."

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R. C. Smith, of OADR, named to labor supply committee

Raymond C. Smith, chief of the Farm Labor Division, Office of Agricultural Defense Relations, on August 5 was named to the labor supply committee of OPM.

Announcement of Mr. Smith's appointment was made by Associate Director General Hillman, OPM, after consultation with Clifford Townsend, director of the Office of Agricultural Defense Relations.

Mr. Hillman said he was informed by Mr. Townsend that agriculture faces increasingly acute problems in recruiting, training, transporting, and housing farm labor.

INTER-AMERICAN AFFAIRS . . .

Inter-American Affairs Office created in OEM to further Hemisphere cooperation

President Roosevelt, by Executive order of July 30, established within the Office for Emergency Management the Office of the Coordinator of Inter-American Affairs. Nelson Rockefeller was appointed Coordinator.

The new office takes over all powers and functions heretofore vested in the Office for Coordination of Commercial and Cultural Relations between the American Republics, which was headed by Mr. Rockefeller.

Text of the Executive Order follows:

By virtue of the authority vested in me by the Constitution and statutes of the United States, and in order to define further the functions and duties of the Office for Emergency Management with respect to the unlimited national emergency declared by the President on May 27, 1941, and to provide for the development of commercial and cultural relations between the American Republics and thereby increasing the solidarity of this Hemisphere and furthering the spirit of cooperation between the Americas in the interest of Hemisphere defense, it is hereby ordered as follows:

1. There is established within the Office for Emergency Management of the Executive Office of the President the Office of the Coordinator of Inter-American Affairs, at the head of which there shall be a Coordinator appointed by the President. The Coordinator shall discharge and perform his duties and responsibilities under the direction and supervision of the President. The Coordinator shall serve as such without compensation, but shall be entitled to actual and necessary transportation, subsistence, and other expenses incidental to the performance of his duties.

2. Subject to such policies, regulations, and directions as the President may from time to time prescribe, the Office of the Coordinator of Inter-American Affairs shall:

a. Serve as the center for the coordination of the cultural and commercial relations of the Nation affecting Hemisphere defense.

b. Formulate and execute programs, in cooperation with the Department of State which, by effective use of governmental and private facilities in such fields as the arts and sciences, education and travel, the radio, the press, and the

cinema, will further the national defense and strengthen the bonds between the nations of the Western Hemisphere.

c. Formulate, recommend, and execute programs in the commercial and economic fields which, by the effective use of governmental and private facilities, will further the commercial well-being of the Western Hemisphere.

d. Assist in the coordination and carrying out of the purposes of Public Resolution No. 83 approved June 15, 1941, entitled "To authorize the Secretaries of War and of the Navy to assist the governments of American republics to increase their military and naval establishments, and for other purposes."

e. Review existing laws and recommend such new legislation as may be deemed essential to the effective realization of the basic cultural and commercial objectives of the Government's program of Hemisphere solidarity.

f. Exercise and perform all powers and functions now or heretofore vested in the Office for Coordination of Commercial and Cultural Relations Between the American Republics, established by order of the Council of National Defense on August 16, 1940.

g. Keep the President informed with respect to progress made in carrying out this Order; and perform such other related duties as the President may from time to time assign or delegate to it.

Cooperation on policies

3. In the study of problems and in the execution of programs, it shall be the policy of the Office of the Coordinator of Inter-American Affairs to collaborate with and to utilize the facilities of existing departments and agencies which perform functions and activities affecting the cultural and commercial aspects of Hemisphere defense. Such departments and agencies are requested to cooperate with the Coordinator in arranging for appropriate clearance of proposed policies and measures involving the commercial and cultural aspects of Inter-American affairs.

4. Within the limits of funds appropriated or allocated for purposes encompassed by this Order, the Coordinator may contract with and transfer funds to existing governmental agencies and institutions and may enter into con-

tracts and agreements with individuals, educational, informational, commercial, scientific, and cultural institutions, associations, agencies, and industrial organizations, firms, and corporations.

5. The Coordinator is authorized and directed to take over and carry out the provisions of any contracts heretofore entered into by the Office for Coordination of Commercial and Cultural Relations Between the American Republics, established by order of the Council of National Defense on August 16, 1940. The Coordinator is further authorized to assume any obligations or responsibilities which have heretofore been undertaken by the said Office for and on behalf of the United States Government.

Committee to correlate proposals

6. There is hereby established within the Office of the Coordinator of Inter-American Affairs a Committee on Inter-American Affairs, consisting of the Coordinator as Chairman, one designee each from the Departments of State, Treasury, Agriculture, and Commerce, the President of the Export-Import Bank and such additional representatives from other agencies and departments as may be designated by the heads of such departments or agencies at the request of the Coordinator of Inter-American Affairs. The Committee shall consider and correlate proposals with respect to the commercial, cultural, educational, and scientific aspects of Hemisphere defense relations, and shall make recommendations to the appropriate Government departments and agencies.

7. The Coordinator may provide for the internal organization and management of the Office of the Coordinator of Inter-American Affairs. The Coordinator shall obtain the President's approval for the establishment of the principal subdivisions of the office and the appointment of the heads thereof. The Coordinator may appoint such committees as may be required for the conduct of the activities of his office.

8. Within the limits of such funds as may be appropriated to the Coordinator or as may be allocated to him by the President, the Coordinator may employ necessary personnel and make provisions for necessary supplies, facilities, and services. However, the Coordinator shall use such statistical, informational, fiscal, personnel, and other general business services and facilities as may be made available to him through the Office for Emergency Management.

Coordinator undertakes intensive program for teaching of South American subjects

Nelson A. Rockefeller, Coordinator of Inter-American Affairs, announced August 8 that the Coordinator's Office has undertaken a comprehensive education program to stimulate the teaching in schools in the United States of subjects dealing with the other American Republics.

The education committee of the Coordinator's Office is conducting this program in order to increase the knowledge among the school children of the United States of the geography, history, ways of life, language, and culture of the other American Republics.

In collaboration with the U. S. Office of Education, the committee is preparing a list of teaching aids such as books, bibliographies, pamphlets, motion pictures, and radio programs, for distribution this Fall to teachers in schools in every section of the United States.

The committee is also sponsoring the preparation and distribution by the Office of Education of 250 traveling exhibits of aids in the teaching of Central and South American subjects, including books, magazines, motion pictures, pamphlets, and radio programs. These will afford teachers in all parts of the Nation samples of the material now available on the other American Republics.

The committee cooperated with United States Commissioner of Education John W. Studebaker, in an appeal to all State departments of education, to all superintendents of schools in districts of 10,000 or more population, and to all directors of summer schools, urging:

(a) That budgetary provisions be made during the coming school year for inclusion in curricula of subjects dealing with the other American Republics.

(b) That teachers be assigned, as early as possible, to specific courses in these subjects.

(c) That curricula committees be established to evolve details of teaching programs in these subjects for the coming year.

Similar communications have been addressed, through the Executive Secretary of the National Education Association, to all State Teachers' Associations, suggesting emphasis on Pan American subjects in their convention program for the new school year.

Dr. Frederick H. Bair, executive secretary of the Education Committee, said that as a result of this program he expects there will be a greatly increased emphasis upon subjects pertaining to Central and South America throughout all levels of United States education during the coming school year.

Wallace K. Harrison and Shelley Tracy join Rockefeller's staff

Coordinator Rockefeller announced August 6 the appointments of Wallace K. Harrison as director of the Cultural Relations Division, and Shelley Tracy as assistant director of the Communications Division of the Coordinator's Office.

Mr. Harrison will assume responsibility for the execution and direction of the cultural relations program of the Coordinator's Office, working in collaboration with the Department of State and a representative of private organizations interested in the cultural relations field. Dr. Robert G. Caldwell will continue as chairman of the Cultural Relations Division and will act in a general advisory capacity on matters of policy.

Mr. Harrison is chairman of the Department of Research and City Planning

of the School of Architecture of Yale University, is a member of the Columbia University School of Architecture Advisory Committee, is a director of the New School of Social Research, and is vice chairman of the Museum of Modern Art. He was a member of the staff of the School of Architecture of Columbia University from 1925 to 1928, and has served as associate architect for the Board of Education of the city of New York. During the World War, Mr. Harrison served as lieutenant in the United States Navy.

Mr. Tracy will work in the Communications Division with Don Francisco, who continues as director of that division. Mr. Tracy was founder and former president of Tracy Locke Dawson, Inc., former vice president of the American Association of Advertising Agencies and a former director of the operating committee of the National Outdoor Advertising Bureau. He was a lieutenant in the United States Air Corps from 1918 to 1919.

Regional information offices established in 10 cities

The OEM Information Division has established regional information offices in 10 cities to serve OEM field agencies and to provide information on local, State, and regional defense activities.

The names, addresses, and territories of the officers and consultants follow:

OFFICERS

Atlanta, Federal Reserve Bank; Marvin Cox; Georgia, Florida, Alabama, Tennessee, Mississippi.

Boston, Federal Reserve Bank; Dudley Hovey; New England States.

Chicago, Room 1120, No. 20 Wacker Drive; Paul Jordan; Illinois, Wisconsin, Michigan, Indiana.

Dallas, Federal Reserve Bank; L. L. Sisk; Texas, Oklahoma, Arkansas, Louisiana, New Mexico.

Minneapolis, Room 1800, Rand Tower; Dowsley Clark; Minnesota, Montana, North Dakota, South Dakota.

New York, Federal Reserve Bank; Clifton Read; New York State.

Philadelphia, Federal Reserve Bank; W. J. Dougherty; Pennsylvania, Delaware, New Jersey, Maryland, West Virginia.

St. Louis, Federal Reserve Bank; Marvin McAlister; Missouri, Iowa, Nebraska, Kansas.

San Francisco, Room 702, Newhall Building, 260 California Street; Dean Jennings; California, Washington, Oregon, Nevada, Idaho, Arizona, Utah.

CONSULTANTS

Cleveland, Federal Reserve Bank; Samuel Slotky; Ohio, Kentucky.

Dallas, Federal Reserve Bank; Tams Bixby, III; Texas, Oklahoma, Arkansas, Louisiana, New Mexico.

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Auto junking campaign

A campaign to increase the junking of worn-out automobiles and thus provide additional scrap iron and steel needed urgently for defense production is being extended into New England, the Office of Production Management announced August 7.

All automobile wreckers in Massachusetts, Connecticut, Rhode Island, Vermont, Maine and New Hampshire were invited by the OPM to meet August 8, at Worcester, Mass., with scrap dealers of the region and Government representatives.

Albert M. Creighton, Coordinator of the Defense Contract Service at Boston, presided.

DCB organizing supernetwork for air raid warnings and emergency flashes

Nation-wide plans to use standard broadcasting stations for air raid warnings and other announcements in the event of military emergency were outlined last week by the Defense Communications Board through James Lawrence Fly, chairman of the DCB and of the Federal Communications Commission.

The chairman emphasized that broadcasting would remain in private hands and that all utilization of broadcast facilities will be on a cooperative basis.

Some problems must be solved

Also announced were protective safeguards designed to ensure continuous operation of broadcasting stations under emergency conditions. The DCB finds the broadcasting structure well adapted to air raid warning and similar uses, but notes certain remediable shortcomings still to be overcome.

Present plans, now under joint consideration by the DCB and the Office of Civilian Defense, are concerned with ways of linking of broadcast stations to local civilian defense centers for instantaneous receipt of local and regional warnings, announcements, etc. In addition, a potential Nation-wide supernetwork is available for messages of national scope.

500 connected to supernetwork

Current reports to the DCB indicate that of approximately 880 standard broadcast stations in operation, nearly 500 are already connected to the potential supernetwork carried on telephone lines. An additional 132 have studios in cities now served by the supernetwork, so that only local links need be secured;

and 240 are located along the lines of the supernetwork and so can be tapped in.

Plans to service rural areas

Various plans for providing broadcast service to certain rural areas without reliable reception, especially during daylight hours and during summer months in the Southern States, are now under consideration.

Successful use of broadcasting stations for military or civilian defense under private ownership and operation, the DCB notes, depends upon the reliability of transmission.

Electric power failure, it was found, accounts for about 50 percent of all program breaks. At present an estimated 10 percent of all broadcast stations are equipped with emergency gasoline or steam-driven power generators. A few other stations are served by two or more independent sources of public power. Studies are now under way to decrease the likelihood of broadcast failures from power shut-offs.

Transmission circuits checked

In addition to steps designed to protect particular stations which may be designated for special defense functions, the DCB has instituted reliability studies of the potential supernetwork which welds the stations into a Nation-wide unit. Reports to the Board indicate that the 45,000 miles of program transmission circuits now in existence provide alternate routes to all but two of the 310 cities now served. Alternative power supplies for these program transmissions are provided by adequate storage battery reserves in 4,000 relay centers, by two or more independent public power supplies

in 800 centers, and by stationary engine-driven generators at 50 centers now, with 350 more on order. To provide for emergencies, 200 small and 25 large portable engine-driven generators are available at key points throughout the country.

The Board states that while certain problems remain, the broadcasting system of the country is cooperating fully, and in most substantial respects is ready for public service in connection with air-raid warnings, civilian defense announcements, and other emergency communications, under private ownership and operation.

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Signs to identify "Arsenals of Democracy"

America's "Arsenals of Democracy" will soon stand out in every community.

The Office of Production Management last week sent all defense prime contractors specifications and designs for three signs, with a letter from William S. Knudsen, Director General.

The signs, in three colors and 6 x 4 feet in size, can be constructed and displayed by any firm devoting 50 percent or more of its facilities to defense production during the time when defense contracts are in effect. Prime contractors are requested to extend permission to subcontractors.

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VISUAL STATISTICS MATS AVAILABLE

Newspapers and other interested publishers may obtain one-column, 65-screen mats of the visual statistics charts appearing weekly on the cover of DEFENSE. The service is available on request to the Distribution Section, Division of Information, Office for Emergency Management, Washington, D. C.

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DEFENSE



OFFICIAL WEEKLY BULLETIN OF DEFENSE AGENCIES IN THE OFFICE FOR EMERGENCY MANAGEMENT

WASHINGTON, D. C.

AUGUST 19, 1941

VOLUME 2, NUMBER 33

DEFENSE PROGRESS

MANPOWER

United States Army, Aug. 14-----	1,545,400
Navy and Marine Corps, Aug. 1-----	340,831
Nonagricultural workers, June-----	38,790,000
Percent increase since July 1940--	9.5
Sixteen defense industries, June--	2,440,500
Percent increase since June 1940--	47.6

FINANCE

June 1940-July 1941

Authorized program----- \$48,087,000,000

June 30, 1941

Commitments for defense
plant expansion----- \$3,402,000,000

PRODUCTION

July 1940-July 1941

Paid on contracts----- \$6,325,000,000

Military aircraft in July----- 1,460

Combat vessels in July----- 20

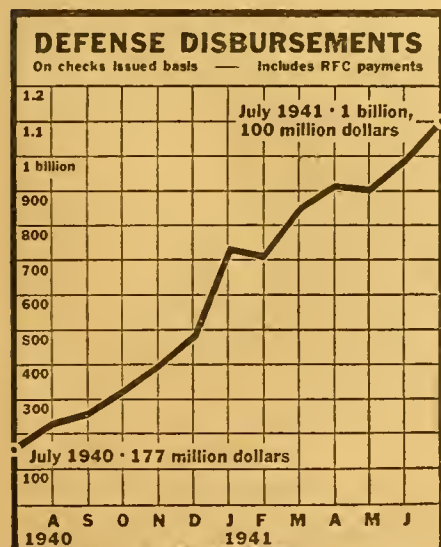
Merchant ships in July----- 8

Week ended August 9

Significant defense strikes

in progress during week-- 9 26,825

Number settled----- 3 2,375



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Review of the Week in Defense

The first step toward rationing gasoline in eastern United States was taken last week by the Office of Price Administration and Civilian Supply upon recommendation of Petroleum Coordinator Ickes.

Administrator Leon Henderson ordered deliveries of gasoline cut 10 percent below July consumption, turned over enforcement to OPM. OPACS explained that the program is an "interim measure" to be followed by "more severe curtailments."

OPACS' action came after Secretary Ickes had stated that deliveries of gasoline on the Atlantic coast rose 8 percent the week ending August 5 despite the closing of service stations at 7 p. m. daily. The oil conservation program was necessitated by the shortage of oil tankers, many of which are now carrying gasoline to England.

Price actions

Henderson cut prices of Southern pine lumber \$3 a thousand feet, fixed a maximum price for pig tin, put a ceiling on sugar to forestall speculation, and slashed prices that may be paid for burlap 20 percent below recent New York quotations.

Two advisory panels were set up in the OPACS Consumer Division to suggest ways and means for better protection of the quality of consumers' goods and for conserving materials essential for defense.

Meanwhile, OPM Director General William S. Knudsen told the N. Y. Division of Commerce Production Clinic:

"We have . . . reached the point where material requirements for the defense program might interfere with civilian requirements to an important extent."

Anticipating greater defense production in the months ahead, Knudsen asked for a speeding up of subcontracting. He called the placing of \$26,000,000 worth of subcontracts in the last two months "a fair start."

Iron ore fleet recommended

OPM recommended construction of an emergency fleet of 25 iron ore boats at a cost of \$50,000,000 to the Maritime Commission, and received industry proposals

for expansion of 12,000,000 tons in steel ingot capacity.

The Great Lakes boats are needed to transport ore for the 6,508,950 tons of additional pig iron production recommended by OPM.

As OPM announced July's military aircraft production to be 1460, Production Division officials and steel and iron company executives discussed means for doubling capacity for finishing aircraft and other alloy steels.

Steps to make available thousands of tons of unused street car and railroad rails, many imbedded in city streets, were taken by Ralph Budd, OEM Transportation Commissioner.

Tank production speeded

The Priorities Division moved to speed up production of light and medium tanks by issuing two preference ratings on behalf of three Government arsenals and 11 companies engaged in 100 percent defense work.

Vanadium, essential as an alloy in making high-strength cast iron and steel forgings, was placed under full priority control.

Responding to many inquiries, the OPM released a statement explaining that discarded silk stockings have no value as defense material.

Further supplies of rayon to manufacturers of silk products other than hosiery were allocated by the special joint commodity section on silk of OPACS and OPM.

Employer-labor disputes in defense industries continued to occupy official attention as William H. Davis, chairman of the Defense Mediation Board, explained the board's recommendations in the Federal Shipbuilding & Drydock Co. strike at Kearny, N. J., while awaiting White House action.

Aircraft officials meet

OPM Associate Director Sidney Hillman met August 18 with union and management officials of the southern California aircraft industry. Representatives of 15 major defense firms in the Philadelphia area and 15 labor leaders were to meet in Philadelphia August 19.

OCD Director F. H. LaGuardia designated an OCD official to participate in a State-wide black-out in New Mexico September 12 and announced 100,000 volunteer nurses' aides will be trained within the next year by the Red Cross and major hospitals of the country.

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MONTHLY DEFENSE PAYMENTS PASS BILLION MARK

Monthly disbursements by various agencies of the United States Government for national defense passed the billion-dollar mark in July. As shown in the chart on this week's cover, the preliminary total on a checks issued basis was \$1,100,000,000, as compared with \$994,200,000 in June, and \$176,900,000 in July 1940.

In this compilation by the OPM Bureau of Research and Statistics, transfers of funds from one department or agency of the Government to another are reckoned as disbursements, and are not accounted for when paid out by the department to which they were transferred.

In January 1941 a large transfer from the War Department to the Navy Department had the effect of increasing total disbursements for January and decreasing the figure for February. In general, however, the transfers are for small amounts which have little effect upon the relative positions of the monthly totals.

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AUTO MAKERS TO MEET ON FUTURE PRODUCTION

Eighteen manufacturers of automotive vehicles and parts have been invited to attend a meeting in Washington August 21, with representatives of the Office of Production Management and the Office of Price Administration and Civilian Supply "for the purpose of discussing future automobile production."

DEFENSE

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OPACS cuts gasoline delivery in East to 90 percent of July level

Because of the shortage of transportation facilities available for moving gasoline to the Atlantic Coast area, deliveries of gasoline from suppliers were limited August 16 to 90 percent of the July level through a civilian allocation program issued by Leon Henderson, Administrator, Office of Price Administration and Civilian Supply.

The action was taken in response to a recommendation from Harold L. Ickes, Petroleum Coordinator for National Defense.

More severe cuts expected later

It means that beginning immediately the amount of gasoline available to consumers in the Atlantic coast area will be 10 percent smaller than during the like period of July. The allocation program provides, however, that deliveries to certain users whose needs are essential shall not be reduced beyond "minimum necessary requirements," thus increasing somewhat the severity of the curtailment for ordinary civilian users.

The program is intended as an interim measure pending the development of a further plan for allocating the distribution and consumption of motor fuel. It is expected that more severe curtailments will be necessary in the future.

Voluntary measures failed

In asking that OPACS take this action Mr. Ickes stated:

"During the week ending August 5 deliveries of gasoline by 17 major suppliers in the Atlantic coast area increased by 8 percent despite the intensive efforts of this office to obtain voluntary public cooperation in reducing gasoline consumption. This alarming continued increase in deliveries of gasoline, in view of the shortage of oil transportation facilities, threatens to leave the Atlantic coast area without sufficient petroleum products for essential transportation, power, and heat. It is imperative, therefore, that immediate steps be taken which will conserve effectively the supplies of petroleum products in this area in order that national defense and essential civilian requirements may be met."

Essential uses provided for

Because of the need to assure continuance of essential public services and the production of foodstuffs the program names four groups of uses which are to be allotted "not in excess of the mini-

mum necessary requirements." They include:

(1) The operation of commercial vehicles so classified by law.

(2) The operation of vehicles necessary for the public health or safety, including ambulances and vehicles operated by physicians.

(3) The operation of farm machinery and motor trucks used for farm purposes.

(4) The operation of vehicles owned or operated by Federal, State, or local Governments.

With the exception of the four groups of users receiving special treatment, it is required that deliveries by service stations shall be made in a manner which will spread necessary curtailment proportionately among different consumers and different classes of trade. Deliveries to service stations must also be made proportionately throughout each month and service station operators must distribute their deliveries proportionately throughout each day.

In announcing the program Mr. Henderson made it clear that action was taken only because of the acute situation which is developing due to transportation shortages.

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Two pipe line plans under consideration

The oil industry's plan for the longest single pipe line system in the world—an 1,820-mile hook-up which will pour 250,000 barrels of crude oil daily into the New York-Philadelphia area—has been submitted to Defense Petroleum Coordinator Harold L. Ickes by 11 of the Nation's large oil companies.

While the plan contemplates an immediate start on the new network and probable completion within 9 months, its effect on the East's oil supplies will not be felt soon enough to be a factor in solving the immediate petroleum problem.

The Coordinator also had under consideration last week an application to secure necessary rights-of-way, as provided in the Cole Pipe Line Act, for a 1,200-mile line from Baton Rouge, La., to Greensboro, N. C. The company interested revealed that most of the materials needed are available, that contracts for construction have been let, but that it is unable to secure certain portions of the right-of-way, especially in Georgia.

"Clinic" August 26 to give news men priorities background

A priorities clinic for newspaper men and editors of trade journals and magazines who handle information on the priorities system is to be held on August 26 in Washington by the Priorities Division, OPM.

The school is to be held so that editors, writers, and others who handle information about the priorities system and its effect may obtain all necessary background information.

The sessions will be held in the auditorium of the United States Chamber of Commerce Building, Connecticut Avenue and H Street, NW., beginning at 9 a. m. and will last all day.

The agenda will include a discussion of Office for Emergency Management and Office of Production Management organization, the legal background of the priorities system, functions of the Army and Navy Munitions Board, program and activities of the Priorities Division, requirements of General Preference Orders, and other basic information relating to priorities.

The clinic will be in charge of Mason Manghum, chief of the industrial contact unit, compliance section, Priorities Division. Mr. Manghum can be addressed at the Office of Production Management, Washington, D. C.

The program will include an open forum for questions and answers on the priorities system.

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AIRCRAFT MANAGEMENT, LABOR CALLED TO MEET

Southern California airplane union and company officials were invited by OPM's Associate Director General Hillman, to meet with him in Washington, August 18, to discuss "matters open between management and labor" in the aircraft industry of their region.

Officials of United Auto Workers, CIO, the International Association of Machinists, AFL, and the independent United Aircraft Welders of California were invited in Hillman's telegrams, along with the ranking executives of the seven major companies in the area. Assistant Secretary of War for Air Robert A. Lovett, Assistant Navy Secretary Ralph A. Bard, Chairman W. H. Davis of the National Defense Mediation Board, and Theodore P. Wright of the OPM Aircraft Section, also were asked to attend.

PRODUCTION . . .

Defense job so big now, prime contractors must see they can't do it alone—Batt

The defense program has grown to such proportions that prime contractors must realize by now they cannot handle it all without the aid of subcontracting, W. L. Batt, Sr., Deputy Director, Production Division, OPM, told the Defense Clinic at Brooklyn, August 14. Excerpts from Mr. Batt's speech follow:

This country is very rapidly moving into what is commonly described as a wartime economy. That is to say, an economy directed—forcibly if necessary—toward a single objective: The greatest and quickest possible production of war equipment.

In specific relation to subcontracting there is one aspect of the transition period to which I should like to call your attention. Up until a few months ago there was no very great pressure for a program of intensive subcontracting. Many large contractors were reluctant to engage in subcontracting for a number of reasons—because they were held responsible by the armed services for the quality and performance of the finished product, because it is always easier to do a job yourself, and for a variety of other reasons. The Army and Navy themselves did not take a forceful attitude on the subject of subcontracting, again principally because they have a very vital interest in the quality of fighting equipment produced for them and they therefore preferred—understandably—to deal with those corporations whose experience, management, and performance were a matter of record.

The attitude was apathetic

A large segment of industrial enterprise, which might roughly be described as the medium-sized organizations, were not particularly anxious to engage in Government work. By and large they were busy with normal business, with the production of peacetime goods which they regarded as permanent and profitable business, and they were not inclined to be bothered with the annoyances of meeting rigid Government specifications and inspection standards. The Office of Production Management, while it looked favorably upon subcontracting as an important production technique and while it established the Defense Contract Service to promote this technique,

found itself somewhat limited by the rather apathetic attitude on all sides.

Today that picture is sharply changed. The program has grown to such proportions that the prime contractors must by now realize that they cannot handle the amount of work involved without farming out an ever increasing proportion of it. The Army and Navy are giving indications that they now consider it necessary to bring into the program a much greater number and variety of industrial facilities than they had heretofore contemplated in anything short of actual war, and those concerns who weren't so interested in defense work are now faced with serious shortage of materials which leads them to turn hurriedly in search of defense work in some form or another.

There are certain things the Government can do. It can where necessary alter procurement practices. It can impose certain restrictions in the awarding of prime contracts. It can conduct surveys and studies. It can serve as an agent to bring together the prime contractor and the potential subcontractors.

The main duty is industry's

But the main burden of this job lies on the shoulders of industry itself. The major work of breaking down a piece of war matériel into its component parts, letting out subcontracts for products, laying out the production lines, planning the schedules, smoothing the flow of materials and parts into the assembly points—that is principally the job of the men who manage and run the plants of America. This responsibility must be accepted and carried through by them. By carrying through I mean for instance that the responsibility of a prime contractor who engages another factory to supply him with parts or assemblies does not end with the signature of a contract. He frequently must work with that subcontractor, to whom the job is probably unfamiliar, must assist him in working out his production problems, give him the benefit of his experience, and, if necessary, lend him personnel. We shall only achieve our maximum output by the way which is familiar in this country—by individual enterprise, initiative, ingenuity, cooperation, and effort—more effort—and these in larger doses than ever before.

Emergency lake fleet of 25 ore boats urged by OPM to Maritime Commission

Construction of an emergency Great Lakes fleet of 25 iron ore boats at an estimated cost of \$50,000,000 was recommended to the Maritime Commission August 18 by the Office of Production Management.

Production Director Biggers advised the Commission that the boats would be needed to transport ore for the 6,508,950 tons of additional annual pig iron capacity which the OPM recommended recently.

Urgently needed for defense

In a letter to Admiral E. S. Land, Chairman of the Maritime Commission, Mr. Biggers said:

"It is essential that the construction of these boats be completed at the earliest possible date and we cannot emphasize too strongly their urgent need in the defense program. The highest possible preference ratings should be arranged for these boats so that all materials will be available as rapidly as needed."

In case the OPM subsequently approves a major over-all expansion of the steel industry, such as it now has under consideration, an additional and larger ore boat program will be necessary.

The boats covered by the current recommendation would have a net carrying capacity of 12,000 to 13,000 long tons each. Their combined yearly capacity, on the basis of 30 trips per season, is estimated at 8,750,000 long tons or 9,800,000 net tons.

Would burn coal

They would be approximately 600 feet long and 60 feet wide, with a speed of 11 to 11½ land miles per hour loaded and 12 to 13 land miles per hour light, and would be equipped with triple or quadruple expansion steam engines using coal for fuel.

It is planned to have the fleet built by the beginning of the 1943 navigation season.

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1,460 PLANES IN JULY

The Office of Production Management announced August 12 that military aircraft manufacturers delivered 1,460 airplanes during July.

Proposals for 12,000,000-ton increase in annual ingot capacity answer OPM's call

Proposals for an increase of more than 12,000,000 tons in the steel industry's annual ingot capacity have been received thus far by the Office of Production Management in response to its recent request that producing companies submit expansion plans.

This was disclosed August 14 at a meeting of the steel defense industry advisory committee with officials of the OPM and other interested Government departments and agencies.

Other companies preparing plans

In addition to the expansion proposals already received, several companies are just now preparing programs.

Further, additional proposals to expand Bessemer steel capacity are expected and the OPM will ask makers of alloy steels shortly to submit further alloy steel expansion programs.

Expansion of Bessemer capacity has been proposed as a means of maintaining and increasing steel production despite a shortage of scrap iron and steel. Steel made in Bessemer converters requires very little scrap.

Additional proposals to install electric furnaces for the production of alloy steel will be requested because the expansion programs submitted thus far do not include sufficient facilities of this type to meet all prospective requirements, especially those for aircraft, military vehicles and other phases of the defense program.

Expansion steps recommended by OPM

Expansion steps already recommended by OPM were summarized as follows:

1. Armor plate and heavy forging facilities at the Duquesne and Homestead, Pa., plants of the Carnegie-Illinois Steel Co. to speed up the naval building program.
2. An initial expansion of approximately 6,500,000 tons in annual pig iron capacity.
3. Installation of a 780,000-ton high speed plate mill at the Sparrows Point, Md., plant of the Bethlehem Steel Co.

Report on proposals in 2 weeks

A report on the other pending expansion proposals, including recommendations as to what action should be taken regarding them, is expected to be completed within 2 weeks.

Capacity for finishing aircraft steels must be doubled, conference indicates

Capacity for finishing aircraft and other alloy steels probably will have to be doubled to meet requirements of the defense and lend-lease programs, it was indicated August 12 at an informal meeting of Government officials with steel and iron company executives.

The group discussed various phases of the program being developed by the Office of Production Management to expand capacity of the steel industry generally.

Quick expansion desired

There was general agreement that expansion of facilities for finishing aircraft tubing and other alloy steel required by the Army and Navy should be undertaken as quickly as possible. Another group of steel men interested particularly in this problem will confer with interested Government officials early next week in an effort to get this program under way in the very near future.

Air conditioning of blast furnaces as a means of increasing pig iron production quickly, and thus helping to relieve the existing shortage of pig iron, was another subject discussed on August 12. It is expected that blast furnaces in the Birmingham, Ala., area will be air conditioned rather generally, atmospheric conditions in that section making such a step clearly advisable. Air conditioning equipment also may be installed at some blast furnaces at the Sparrows Point, Md., plant of the Bethlehem Steel Co., the Inland Steel Co.'s plant at Chicago, the Jones & Laughlin Steel Co.'s plants in the Pittsburgh area, and possibly at other mills in the Pittsburgh region.

These installations would be experimental, to throw further light on the advisability of air conditioning in the areas mentioned. Jones & Laughlin has had a favorable experience with initial installations.

Conditioning successful in Birmingham

The meeting was told that air conditioning, by reducing and controlling the moisture content of air blown through the blast furnaces, has increased pig iron production of some furnaces in the Birmingham area an average per year of 7 percent or more. Experience with scattered existing installations in the North has varied widely, it was said, and additional experimentation is desirable there.

In addition to representatives of OPM's Steel Branch, the Army and Navy and the Office of Price Administration and Civilian Supply, those present included: Quincy Bent, vice president, Bethlehem Steel Co., Bethlehem, Pa.; H. A. Berg, president, Woodward Iron Co., Woodward, Ala.; W. B. Gillies, vice president, Youngstown Sheet & Tube Co., Youngstown, Ohio; J. E. Lose, vice president, Carnegie-Illinois Steel Corporation, Pittsburgh; F. B. Lounsbury, vice president, Allegheny Ludlum Steel Corporation, Watervliet, N. Y.; G. E. Rose, president, Wisconsin Steel Co., Chicago; Wilfred Sykes, president, Inland Steel Co., Chicago; C. M. White, vice president, Republic Steel Corporation, Cleveland; and Willard S. Haring, vice president, Alan Wood Steel Co., Conshohocken, Pa.

Shoe and leather steering committee formed

The Bureau of Clearance of Defense Industry Advisory Committees, OPM, announced August 11 formation of a steering committee for the Defense Industry Advisory Committee for shoes, leather products, hides, skins, and leather.

The following persons are to be members of the steering committee:

Byron A. Gray, president, International Shoe Co., St. Louis; Maxey Jarman, president, General Shoe Corporation, Nashville, Tenn.; J. F. McElwain, president, J. F. McElwain Co., Boston, Mass.; H. L. Nunn, president, Nunn-Bush Co., Milwaukee; F. J. O'Donnell, treasurer-secretary, Jos. M. Herman Shoe Co., Mills, Mass.; Paul C. Smith, vice president, Swift & Co., Chicago; E. L. McKendrew, vice president, Armand Schmoll, Inc., New York City; Carl Danner, president, American Hide & Leather Co., Boston; W. B. Eisendrath, vice

president-treasurer, Monarch Leather Co., Chicago; Claude Nathan, vice president and general manager, Eisendrath Glove Co., Chicago; A. M. Peirce, vice president, Leas & McVitty, Inc., Philadelphia; E. W. Prevere, tanning materials buyer, Howes Bros. Co., Boston; Joseph W. Holmes, general manager, United Last Co., Boston; J. C. Talbot, supervisor of shoe buying, J. C. Penney Co., St. Louis; Owen W. Metzger, president, Wetherhold & Metzger, Allentown, Pa.; Marcus Rice, merchandise man and buyer, The May Co., St. Louis; H. S. Marlor, president, Footwear Division, U. S. Rubber Co., New York City.

A meeting of the steering committee has been called for August 22, at 10:30 a. m. Harold M. Florsheim and Maj. Joseph W. Byron, both of the clothing and equipage branch, OPM, have been jointly designated as Government presiding officers for the committee.

MEDIATION BOARD . . .

Davis denies ship recommendation would force men to join union

With no abatement of hearings in sight for its members, the National Defense Mediation Board last week (August 11-17) made recommendations in one case; appointed special agents to investigate issues in two others; reached an agreement in a fourth; obtained an agreement to return to work pending Board hearings in a fifth case, and received certification of two additional cases.

Federal Shipbuilding & Drydock Co.

L. H. Korndorff, president of the Federal Shipbuilding and Drydock Co., on Monday, August 11, released a statement in which he asserted that the Board had recommended a "closed shop." At the request of Secretary of the Navy Frank Knox, William H. Davis, chairman of the Board, wrote a letter on August 13 clarifying the issue in which he pointed out that the Board had recommended neither a closed shop nor a union shop nor any provision which would compel anyone to join the union.

In a statement issued Saturday, August 16, Mr. Davis pointed out that the maintenance of membership clause which the Board had recommended in this case was widely used in American labor agreements and "gives stability and develops disciplined and responsible conduct."

"The records of the Mediation Board show," Mr. Davis said, "that the clause is not at all regarded by the Mediation Board as appropriate in all cases. On the contrary, it has been recommended only for special reasons developed by the facts in particular cases. In a majority of the cases in which the issue of union security has been raised, the Board has made settlements or made recommendations which include no union security clause of any kind.

"The Mediation Board was set up to prevent interruption of defense production. It was instructed to and it does explore every possibility of working out a mutually satisfactory agreement by mediation. If despite all effort it fails in mediation, it is instructed to offer the parties voluntary arbitration of any part or all of their dispute. If that fails the Board is authorized to make an investigation with findings of fact and to formulate recommendations for the settlement of the dispute. It has been and will be the purpose of the Mediation Board to make fact findings that are accurate, and recommendations that are fair and just in the light of the facts as they are found in each case. The Board profits by criticism and welcomes enlightened discussion which may help it in its emergency task of substituting reason for force in industrial dis-

putes which affect the defense of our country."

Ohio Brass Co.

After 4 days of hearings, a panel composed of Judge Walter Stacy, representing the public, John Connelly, representing employers, and Clinton Golden, representing labor, made interim recommendations August 14 in the dispute between the Ohio Brass Company, with plants in Mansfield and Barberton, Ohio, and the United Electrical, Radio and Machine Workers of America, CIO. The recommendations provided for the return to work of 600 employees of the company at the Barberton plant where they had been on strike since June 10.

On the opening day of the hearing, the National Brotherhood of Operative Potters, AFL, claimed a majority in the Barberton plant and filed a petition with the National Labor Relations Board for certification. The UERMWA, which had been certified by the N. L. R. B. as the sole bargaining agency 2½ years ago, has been attempting to negotiate a contract with the company ever since.

The Mediation Board recommended that this question of appropriate bargaining agency be disposed of by the N. L. R. B. and that in the meantime the men return to work. The Board also recommended that any wage increases later negotiated with whatever union is certified be made retroactive to the day the men return to work.

The company employs 700 workers at its Mansfield plant and 600 at the Barberton plant making bushings for transformers and generators, and suspension insulators for the Bonneville Power Administration. It has a \$300,000 contract with the Ordnance Department of the Army at Mansfield.

Consolidated Edison Co. of New York

The hearings on the dispute between the Consolidated Edison Company of New York and the International Brotherhood of Electrical Workers, AFL, was adjourned for two weeks on August 15, after two days of hearings. The adjournment was called to give a special representative of the Board an opportunity to investigate the issue in dispute and to make findings of fact. The Board appointed Arthur S. Meyer, chairman of

the New York State Board of Mediation, as its representative. Hearings before a panel made up of William H. Davis for the public, George Mead for employers, and George Lynch for labor will reconvene in two weeks to consider Mr. Meyer's findings.

The dispute arose over the question of whether certain electrical construction work for the company should be done by the IBEW or by regular employees of the company. All 6,500 electrical construction workers in New York City went on strike July 29 to enforce the union's demands. The strike was called off after the case had been certified to the Mediation Board.

Todd Galveston Drydocks, Inc.

On August 15, hearings were begun in the dispute between the Todd Galveston Drydocks, Inc., of Galveston, Tex., and the International Brotherhood of Boilermakers, Iron Shipbuilders and Helpers of America, AFL, and the Galveston Metal Trades Council, AFL, where a strike since July 15 had been called off at the request of the Board. The issues in the case were a written agreement and union security. The next day, August 16, an agreement was reached before a panel consisting of Walter T. Fisher as public member, Rolland Hamilton as employer member, and James Wilson as labor member. The terms of the agreement, which is subject to union ratification, were not made public.

The company employs 1,850 men for ship repair work and several ships are in the yard at the moment for repairs that had been held up by the strike.

Lincoln Mills

The recommendations of the Board in the dispute between the Lincoln Mills, Huntsville, Alabama, and the Textile Workers Union of America, CIO, were not made public, but a special agent has been appointed to investigate the wage question and report to the Board. The agent, Mr. Francis Goodell, an industrial engineer from Washington, D. C., is now in Huntsville for this purpose.

John A. Roebling Sons Co.

The hearings in the dispute between the John A. Roebling Sons Company and the Steel Workers Organizing Committee, CIO, reconvened on August 11 and are still going on. The parties are now bargaining collectively with no panel members present.

LABOR . . .

Meetings held in three cities to seek defense reemployment

Associate Director General Hillman announced August 15 that representatives of 15 major defense firms and 15 labor leaders from the Philadelphia area would meet with OPM officials in Philadelphia August 19, to take up the problem of providing employment for displaced workers from the silk industries and for other workers in plants whose operations have been curtailed by defense priorities.

OPM Labor Division officials expected the conferences to formulate an inclusive program of reemployment, retraining for defense industries, and registration with State Employment offices of all qualified workers for job-openings in that area's defense plants. Preliminary surveys indicate expanding defense industries will soon need as many or more workers than are being displaced, and hence the task is largely to match men to jobs.

Many nondefense manufacturing plants in the area are likely to have to

curtail operations soon because of the defense program's need for their raw materials, notably copper, one of the most widely used of metals.

Reemployment and retraining activities are already under way in this area, along with a program to keep the silk mills operating with American yarns, and the conference Tuesday was expected to explore means of expanding these activities, along with the possibilities of "farming-out" subcontracts of defense awards to the smaller factories.

This is the third industrial area into which Mr. Hillman has moved to find jobs for workers displaced by effect of the defense program. The first was in Tonawanda, N. Y., where employees of the Chevrolet plant were laid off to permit the plant to convert to airplane engine production. The second was in Cleveland, Ohio, center of the Ohio-Wisconsin aluminumware industry, where thousands of workers have been laid off because of shortages in aluminum.

War, Navy, and Maritime Commission contracts forbid labor discrimination

Appointment of Lawrence Cramer of New York, former Governor of the Virgin Islands, as executive secretary of the President's Committee on Fair Employment Practice, was announced August 12 by Mark Ethridge, chairman of the committee.

The committee was created by Executive order on June 25, and its members were appointed July 23. The order charged it with receiving complaints of discrimination in defense employment because of "race, creed, color, or national origin."

Contracts guarantee equal chance

Mr. Ethridge also announced that War, Navy, and Maritime Commission officials, in response to a committee request of July 31, were conforming with the President's executive order by inserting a provision in all future contracts binding the contractor against discriminations. Cramer will consult with government officials to work out means of enforcing this provision.

Mr. Ethridge's committee received from Robert C. Weaver, head of the Negro Employment and Training Branch of OPM's Labor Division, a report that 27 big defense contractors have changed their employment policies with regard to minority groups since the President issued the order. Eleven of these firms make military plane parts and equipment.

Ethridge said discrimination charges were widespread enough to justify hearings which Cramer will arrange in the near future. These will be held on the Pacific Coast, in the Midwest, in the East and Southern States, with the purpose of discovering the extent and character of present discriminations, and determining the basis of subsequent action.

Members of the committee, in addition to Chairman Ethridge, are William Green, AFL, Philip Murray, CIO, David Sarnoff, Radio Corporation of America, Earl Dickerson, Chicago attorney, and Milton Webster, vice president, Sleeping Car Porters Union.

Rayon pool opened to nonhosiery use; OPM, OPACS seek distribution formula

Through an interim amendment announced August 16, rayon yarn producers are permitted to release immediately to former silk users, other than hosiery manufacturers, a substantial amount of the rayon yarn accumulated under the recent allocation order of the Office of Price Administration and Civilian Supply.

The allocation program required rayon yarn producers to set aside one-tenth of their daily output and stocks on hand. Of this, 70 percent was earmarked for hosiery manufacturers and 30 percent for other users of silk and for rayon weavers upon whom the program might impose undue hardship. The amendment, which is effective only until midnight of August 31, 1941, allows rayon yarn producers to sell at once half of the 30 percent thus pooled to manufacturers, jobbers, or converters other than hosiery manufacturers whose products had been made largely or wholly of silk.

Permanent formula sought

During the stopgap period between now and August 31, the special joint commodity section on silk set up by OPM and OPACS will review the entire problem centering about the use of rayon, with a view to evolving a permanent formula for equitable distribution of rayon yarns.

The present amended program does not contemplate any further governmental action as a prerequisite to the sale of the rayon yarn involved to the classes of purchasers mentioned. If orders received as result of the amendment exceed the amount of yarn so set aside, producers of rayon yarn are to use their own judgment in deciding what orders to fill, until such time as further programs are announced.

Equitable treatment asked

However, the special joint commodity section urged, after meeting representatives of silk-using industries, that rayon makers distribute sales as equitably as possible. The section also asked that each buyer of rayon restrict his purchases to amounts not in excess of current needs and not buy, from all sources combined in any one week, more yarn than the approximate equivalent of the weekly average amount of silk or rayon, or silk, nylon or rayon combined, used by him during June and July 1941.

PRIORITIES . . .

Revised, expanded critical list contains over 300 items and classes

A revised Priorities Critical List was issued July 14 by the Priorities Division, OPM.

The list contains over 300 items and classes of items on deliveries of which Army and Navy contracting officers may assign preference ratings.

Except for certain specified items which are subject to industry-wide control by the Priorities Division, most of the materials which appear on the list are subject to priority control only in the sense that Army and Navy orders for these items may automatically be assigned preference ratings.

PRIORITIES CRITICAL LIST

(As revised to: July 7, 1941)

Parts and accessories.—The items that appear on this list shall be deemed to include all fabricated, mechanical or electrical component parts and accessories necessary for the completion, maintenance or mechanical operation thereof, excluding raw materials unless specifically included in the list.

Supervision.—It should be carefully noted that all copies of preference rating certificates authenticated by the two services are reviewed by the Priorities Division and erroneous use of this list will result in cancellations of certificates by the Priorities Division.

Allocation.—Material which has been subjected to industry-wide control and allocation by the Priorities Division will be governed by specific orders from the Priorities Division which may to some extent modify the effect of preference ratings previously issued. Items indicated by a (1) are those which to the date of this edition have been subjected to allocation by the Priorities Division.

New items.—Italicized items on this list are those which appear for the first time with this edition.

Metals.—It will be noted that all metals except a few precious ones are now covered by this list.

Revision.—This list is subject to revision once each month. In order to receive consideration at the time of making any monthly revision, requests for additions, subtractions or modifications must be received by the Priorities Committee of the Army and Navy Munitions Board or the Director of Priorities of the Office of Production Management on or before the fifteenth day of the preceding month.

List of materials

Acetone; aiming circles; aircraft—all types including lighter-than-air, complete; aircraft detection equipment; aircraft laboratory and test equipment; altimeters—all types; aluminum and aluminum alloys (pig or fabricated);¹ ambulances (service specification); ambulance boats; ammonia, anhydrous; ammunition (small arm and large caliber), all types; angledozers—tractor powered; anti-aircraft equipment; antimony;

armour plate; auger—earth (power); auto-claves (laboratory)—field and hospital.

Bags—barrack, sea, cantle, powder, sterilizing water, sleeping; balloon—observation or barrage; barges; barometers; batteries—radio, ship, fire control; battery chargers—portable; bearings—roller and ball; belt—ammunition link, cartridge; binocular trainers; binoculars—monoculars, spy glasses, field glasses, spotting glasses; blankets—wool; boards—deflection, fire adjustment, plotting (all types), range correction, spotting, chart; boats—aircraft rescue, picket, crane, assault, ambulance, Eagle, landing, motor torpedo, utility (QMC and AC), sub-chaser, target (armored), motor launch, radio control, lighters, D. B. (distribution box); boilers—power plant, heating; bombs; bombing training and target assembly; booms; borax;¹ boric acid;¹ box—ammunition; brass—pig and fabricated; bridges—foot (all types), steel (portable), pontoon (all types); bronze—pig or fabricated; bull-dozers—tractor powered.

Cable, electric and telephone, all kinds including assemblies; cable, balloon barrage; cadmium; calibration sets, bomb sight; optical elements for; calipers, micrometer; cameras—aeronautical, gun, triangulation, motion picture, and still; camera control—gun; candles—chemical; canisters—service, diaphragm, optical; caps—field and winter, watch; carts—hand drawn, reel, chemical mortar, ammunition, weapon; case—inspectors, navigation, pilots, bombardiers; castings—brass (over 150 lbs.), aluminum; catapult—aircraft; charger—gun (hydraulic); chemicals—chemical warfare, explosives, medicinal; chest—service types; chlorine; chromium;¹ cipher devices and machines; cloth—rubberized, wool, dark blue melton or kersey, O. D., flannel, cotton, twill, wind resistant, khaki; clothing—flying, chemical protective, uniforms, hospital, mechanics, laboratory; cobalt; coils—service specifications; combat vehicles; compressors (air)—power driven; computers—intermediate and major calibers, time and distance, line of position, aerial dead reckoning, time conversion, altitude correction; condensers, steam—radio, electrical; cone assembly 6' metrogon lens; containers—galvanized, portable refrigerated; control equipment for electric motors, automatic; cooking outfit—mess and field copper—pig fabricated;¹ cordage and twine—hemp, jute, oakum, abaca, sisal, henequen, flax, silk, cork;¹ corrector—percentage, fire control; cotton—canvas duck, webbing; cotton liners; cranes; cresols—cresylic acid (meta-para, B. P. 200–210 C; less than 2% ortho); cutters—wire, and carriers (special service types); cylinders—chemical (portable); compressed gas or air.

Demustardizing equipment—chemical warfare; diamond point tools; dies—forging; diamond; diesel engines, all types; distribution boxes; diving apparatus; drawers—woolen, half-wool, half cotton; drydocks—floating.

Energizers—aircraft electric; engines, internal combustion and steam, for ship propulsion; explosives, including chemical components.

Ferrous alloys, all types; fibre—abaca, sisal, henequen, hemp, flax, cotton liners, jute; finders—radio direction, height, depression position, vertical view, range; fire control instruments and equipment; fire prevention and fighting equipment, all types; flares; flashlights (service types); flash ranging set; floodlighting equipment; flying equipment;

forgings—brass, aluminum; formaldehyde; frequency meter set, radio; fuel—aviation, Diesel, 50 cetene number and up; furnaces—heat treating electric; fuzes and primers; fuze-setters.

Gages, inspection; gas—decontamination apparatus and equipment, masks; gases—chemical warfare; gastight doors and frames; generating units, service types; generators, electrical and motor dynameters, including N. E. M. A. standard types, meeting A. I. E. E. specifications and rules; glasses—field, spotting, binoculars, spy, monoculars; gloves—leather, wool; goggles (service types); grader, road; self-propelled; grenades; guns—all types and calibers (including carriages and mounts), limbers, and caissons.

Halowax (plasticized chlorinated naphthalene) for insulating wire; hammers, power driven; head and chest set; communication; height finders; helmets (service types); hexamethylene tetramine; hoist—ammunition; hoists power or hand; howitzers—all types and calibers, with limbers, caissons, carriages, and mounts.

Impregulate (I and S); insignia—uniform; instruments—battery commander, electrodiagnostic, observation optical (all types—complete), stereoscopic training; surgical and dental, surveying, azimuth and azimuth mills, self-synchronous (engine), drafting; insulation, steatite; interphone equipment; (aircraft, vehicular); iridium; iron and steel products, including rolled, drawn, forgings, castings, and pig iron including alloy steels; insulating, fire, brick.

Jigs and fixtures.

Kits—first aid, repair (C. W.), toilet.

Laboratory equipment—hospital and field; lamp equipment—signal; lead; leggings—canvas; lenses requiring grinding except eyeglasses; lighters and barges; lighting equipment—electric (portable), service types, hangar, flying field; locators, sound—anti-aircraft (CAC); lockers—steel; locomotives—diesel, gasoline, electric; lubricant—diesel engine, special "RPM-Delo" or equivalent.

Machine, blasting; machine guns—all types and calibers with mounts, sights, and tripods; machine and metal-working tools;¹ machines—addressing and duplicating all types, including plates (except aluminum), type, platemaking equipment; machinery—forging, power-driven, for casting, cutting, grinding, hoisting, melting, metal pressing, welding, refrigerating; magazines—small arm ammunition; manesium and alloys—pig or fabricated;¹ manganese or spiegeleisen; mapping equipment—service types; marker beacon receiving equipment; masks—gas, oxygen; mattress, all types; megger insulation testing sets; mercury; mess outfits—field, barracks, ship; meter sets—frequency (seacoast); meters—electric, drift, methanol; mines—antitank, drifting or anchored; mine equipment—submarine; mine planters and yaws; mirrors; magnifying; molybdenum; monel metal; mortars—all types and calibers with carriages, mounts; motion-picture projection and sound equipment; motors electric, except fractional horsepower; motors for pontoons; motorcycles—solar or side car (service types);

Naphthalene; neatsfoot oil; neoprene;¹ nets—antisubmarine, camouflage; nickel alloy steel;¹ nickel—pig or fabricated; non-ferrous alloys, all types;

Oakum, marine; octant—bubble type; oil—castor and fuel (Diesel 50 cetene and up); optical elements and instruments; oxygen manufacturing unit, portable.

Packing, flax; paper, Chart; parachutes—service types; phenol; photographic laboratory equipment, aerial and ground; phthalic anhydride; plates multiolith, zinc; polyvinyl chloride (and co-polymers containing at least 90% vinyl chloride) plasticized or un-plasticized;¹ pontoon equipment; potassium

perchlorate; potassium permanganate; projectors—signal (ground); pumping sets, all types; purification unit—water; Pyrotechnics—service types.

Radio-apparatus (sending and receiving)—all types; radio direction finders; radio-sondes and equipment; range—field, complete with equipment; range-finders; ranging equipment—sound; reels, firing; remote control equipment, for guns and searchlights; reproduction equipment—map (all types); repurification plant, helium (portable); resistors, electrical for vessels; rifles—magazines, machine, automatic, semi-automatic; rubber, synthetic—rubberlike synthetic materials; rubber: raw, processed, and fabricated.

Saddle—pack (cargo and riding); scabbard—small-arms; scale—prediction; scrapers—tractor drawn; searchlights; searchlight control instruments; sextants, navigation; ships—all types, complete; ship plates and shapes (see iron and steel products); sights and related equipment; silk, parachute; small arms—all types and calibers; smoke—toxic, and equipment for use; smoke screen apparatus; socks—woolen, cotton-wool; sodium hydro sulfite; sodium sulfoxalate; sound equipment—underwater; sound locators—antiaircraft; sphygmomanometers; splint surgical; spotting sets; steel, semi-finished, finished and fabricated, including alloys;² stereoscopes—all types; stereoscopic testers; sterilizers, hospital and field; stoves, tent; submarine mine cable—steel; submarine safety and escape devices; switchboards, power complete assembly; synthetic resin moulding powders.³

Table (plotting); tags—identification; tanks—cartridge; combat, all types and models, powder; targets, tow; telegraph sets (service specifications); telephones—all special service types; radio, and equipment; tents, service types; testing outfits, boiler water; theodolites; thermometers, industrial; thermostatic controls for refrigeration and air-conditioning machinery; time interval apparatus; tin; tools; hand, precision; portable, power driven; special engine; torpedo; torpedoes; tractors—military; trailers—2, 4, and 6 wheel, assorted; bomb; trainer—binaural, stereoscopic; instrument flying and landing (ground); transformers, electric; tricresyl phosphate (less than 17° ortho); trucks—motor (all special service types), electrical industrial; tungsten, ferro tungsten and tungsten ore;⁴ tungsten carbide; turrets, gun.

Underwear—half cotton, half wool.

Vanadium and vanadium alloys; vehicles (service types); vest, life preserver.

Watches, service types; welding rod; whetstone; winch, balloon; wire—service types (see cables; field (S. C.)); for electrical instruments.

X-Ray equipment; medical, industrial.

Zinc;⁵ zinc hydrosulfite.

¹ Subjected to allocation by Priorities Division.

² Steel products are covered by a special order requiring preferential treatment of defense orders and permitting users to file a formal complaint of any inability to obtain delivery or place orders. Nickel alloy steel and Tungsten alloy steel are subject to industry-wide control.

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ORE MOVEMENT

Reports from the four principal ore-handling railroads through the week ended August 9 showed that they have loaded into boats at upper lake ports this season a total of 42,152,892 gross tons of iron ore.

New section to consolidate compliance, field and inventory control activities

Creation of a new Compliance and Field Section within the Division of Priorities, to consolidate and coordinate the program and activities of the compliance section, the priorities field service, and inventory control, was announced August 13 by Priorities Director Stettinius.

The new control section will be headed by L. J. Martin, assistant deputy director, and will combine and handle all the functions hitherto performed separately by the operation units named.

Working with Mr. Martin as senior consultant will be E. C. Laird, Jr.; and J. H. Ward will be assistant to Mr. Martin. L. Edward Scriven will direct operations of the compliance unit and the field service organization. Mr. Ward, Mr. Laird and Mr. Scriven are assistant deputy directors.

Manghum heads education unit

Mason Manghum will head an industrial contact and education unit of the new section.

Offices aid producers

Under the direction of Mr. Scriven, who will continue to direct activities in Field Offices, the following offices have already been opened: Boston, New York, Philadelphia, Atlanta, St. Louis, Kansas City (Branch of St. Louis), Chicago, Cincinnati, Cleveland, Denver, San Francisco, Pittsburgh, Dallas, Detroit, Los Angeles, and Seattle.

Complete facilities have been provided in each of these offices for assisting producers and manufacturers.

The district offices also are to be used by all of the industrial branches and commodity sections of OPM for checking inventories or for any other special work in connection with priorities.

Mr. Manghum, in supervising the work of the industrial contact unit, is arranging a series of regular priorities training courses for businessmen and for members of their staffs who have been assigned to priorities matters.

2 percent of September pig iron to be pooled for urgent needs

Priorities Director Stettinius on August 14 instructed all producers of pig iron to set aside 2 percent of their production during the month of September in a pool out of which allocations can be made to fulfill urgent needs.

The 2 percent pool for September will amount to between 90,000 and 100,000 tons.

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Iron, steel, other products removed from Order No. 1

Iron and steel products, aluminum scrap, ferro tungsten, ferro-chromium, and calcium silicon have been removed from the inventory control exercised by General Metals Order No. 1, Priorities Director Stettinius announced August 14.

Because these items have been placed under industry-wide priority control in a series of orders which include prohibition of excessive inventory buying, the amendment to the General Metals Order was issued.

Preference given to makers of light and medium tanks

In order to expedite production of light and medium tanks, Priorities Director Stettinius issued August 12 two preference rating orders on behalf of 3 Government arsenals and 11 manufacturing companies engaged in 100 percent defense work. The orders assign priority ratings of A-1-d to medium tank requirements and A-1-f to deliveries for light tank production.

The light tanks carry 37 mm. and .30-caliber guns and are used for scouting and mopping up operations. The medium weight tanks with their heavier armament of 75 mm. and 37 mm. weapons, are designed for breaking through enemy lines, and for antitank and antiartillery activity.

Issuance of the priority ratings was made necessary by a greatly stepped-up production schedule which doubles previous estimates of tanks to be ready by the middle of 1942.

These orders greatly simplify the acquisition of essential materials and products by manufacturers of tanks and of the motors, guns and other equipment needed for them. The preference ratings they make available may be extended by the prime contractors to their suppliers and subcontractors.

Vanadium under full priority control; shortage of 2,150,000 pounds indicated

Vanadium has been placed under full priority control in an order signed by Priorities Director Stettinius.

The order assigns a rating of A-10 to all defense orders for vanadium to which this rating or a higher one has not been specifically granted, and requires the acceptance of such orders in preference to nondefense orders.

Vanadium has been subject to inventory control provided by General Metals Order No. 1, issued May 1, 1941, from which it is now removed. The new order requires that after September 1 a manufacturer wishing to purchase vanadium must file a statement of the uses to which it is to be put, not later than the 25th of the month preceding that of the specified delivery.

Restrictions on deliveries

It also restricts deliveries to an amount not in excess of that necessary to a manufacturer to fill his orders on the basis of his current method and rate of production. This restriction does not apply to exports licensed by the Administrator of Export Control, or to vanadium imported by a processor.

Apparent domestic consumption of vanadium in 1940 was approximately 3,000,000 pounds. The current rate of production would indicate that 3,750,000 pounds in finished form will be made available in 1941 as against an estimated need of 5,900,000 pounds for the year. Requirements for 1942 are expected to reach 7,150,000.

Pulp and paper committees named

Formation of three divisional committees which later will be subcommittees of an over-all pulp and paper defense industry advisory committee was announced August 16 by the Bureau of Clearance of Defense Industry Advisory Committees, OPM.

N. A. McKenna, of the Division of Production, has been designated Government presiding officer.

Pulp, paper, paperboard committee

W. J. Alford, president, Continental Paper Co., Bogota, N. J.; D. K. Brown, president and general manager, Neenah Paper Co., Neenah, Wis.; Hugh J. Chisholm, president, Oxford Paper Co., New York City; J. M. Conway, president and general manager, Hoberg Paper Mills Co., Green Bay, Wis.; Douglas Crocker, vice president, Crocker, Burbank & Co. Association, Fitchburg, Mass.; R. J. Cullen, president, International Paper Co., New York City; Sidney Frohman, president and general manager, Hinde & Dauch Paper Co., Sandusky, Ohio; E. E. Grant, president, Crystal Tissue Co., Middletown, Ohio; Ralph Hayward, president, Kalamazoo Vegetable Parchment Co., Kalamazoo, Mich.; Arthur L. Hobson, president, St. Croix Paper Co., Boston, Mass.; Amor Hollingsworth, president, Penobscot Chemical Fiber Co., Boston, Mass.; J. W. Kleckhefer, president and general manager, Kleckhefer Container Co., Camden, N. J.; Cola G. Parker, vice president, Kimberly-Clark Corporation, Neenah, Wis.; John L. Riegel, president and general manager, Riegel Paper Corporation, New York City; J. D. Zellerbach, president, Crown Zellerbach Corporation, San Francisco.

Paper products divisional committee

F. C. Ash, treasurer, Sealright Co., Inc., Fulton, N. Y.; Walter J. Bergman, vice president, Lilly-Tulip Cup Corporation, New York City; James L. Coker, president, Sonoco Products Co., Hartsville, S. C.; H. S. Dennison, chairman

of board, Dennison Manufacturing Co., Framingham, Mass.; Willard J. Dixon, vice president and secretary, St. Regis Paper Co., New York City; Willard Henry, president, Southern Advance Bag & Paper Co., Chicago, Ill.; Irving Hill, president and general manager, Lawrence Paper Co., Lawrence, Kans.; E. V. Johnson, first vice president, United States Envelope Co., Springfield, Mass.; George Melten, general manager, wall paper division, Imperial Paper & Color Corporation, Glen Falls, N. Y.; Vasco Nunez, vice president, Nashua Gummed and Coated Paper Co., Nashua, N. H.; D. H. Patterson, Jr., president, Fiberboard Products, Inc., San Francisco; J. H. Paterson, general manager, F. N. Burt Co., Inc., Buffalo, N. Y.; C. A. Reed, president and chairman of board, C. A. Reed Co., Williamsport, Pa.; J. Thurston Roche, president, Southern Central Co., Memphis, Tenn.; R. E. Rutledge, vice president, Sutherland Paper Co., Kalamazoo, Mich.

Printing and publishing

Fred Bohen, president, Meredith Publishing Co., Des Moines, Iowa; Donald L. Boyd, Standard Printing & Publishing Co., Huntington, W. Va.; George P. Brett, Jr., president MacMillan Co., New York City; A. L. Grammar, president, Street & Smith Publications, Inc., New York City; J. S. Gray, editor, Monroe Publishing Co., Monroe, Mich.; Leslie H. Jackson, vice president and treasurer, Stecher-Traug Lithograph Corporation, Rochester, N. Y.; Edwin Lennox, president, American Colortype Co., Chicago; James H. McGraw, Jr., president and chairman of board, McGraw-Hill Publishing Co., New York City; Fleming Newbold, vice president and manager, Evening Star Newspaper Co., Washington, D. C.; E. W. Palmer, president, Kingsport Press, Kingsport, Tenn.; Marvin Pierce, vice president, McCall Corporation, New York City; Paul G. Stromberg, publisher, Ellicott City Times, Ellicott City, Md.; S. E. Thomson, publisher, the Chicago Times, Chicago; Elmer G. Voigt, vice president, Western Printing & Lithographing Co., Racine, Wis.; Lee C. Werden, vice president, Cuneo Eastern Press, Inc., of Pennsylvania, Philadelphia.

Producers urged to assign staff priority officers

Priorities Director Stettinius issued a statement August 12 suggesting that manufacturers and producers specifically assign special members of their staffs to handle priority matters.

Many producers and manufacturers have already appointed priority specialists on their staffs to handle priority problems, so that all priority matters can be cleared through one central office.

Mr. Stettinius said:

"As the defense program continues, and as shortages increase in a number of scarce materials, manufacturers and producers will find themselves faced with an increasing number of procedure problems.

"The solution of these problems may be expedited if some member or members of the staff are assigned specifically to the handling of priority problems and procedures.

"If this is done, the manufacturing plant will always have available competent advice, within its own organization, on how priority problems may be handled and expedited."

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Order permits processing of silk wet by midnight August 2

Silk processors may continue the processing of any silk the soaking of which was commenced or completed before midnight, August 2, 1941, under the terms of an interpretation of General Preference Order M-22, issued August 9 by Geoffrey Smith, assistant general counsel, OPM.

The interpretation was issued after silk throwsters and other processors, at meetings with the OPM-OPACS special joint commodity section on silk, had expressed some confusion as to the precise meaning of the term "raw silk" in the silk freezing order previously issued.

As amended, the order forbade the processing of raw silk after August 2, 1941. For the purposes of the order, after wetting has started the silk is no longer considered raw. If silk had been wetted down before midnight of August 2, the processing can be carried through. Of course, when it reaches the thrown state it is subject to the restriction that thrown silk can be further processed at no higher weekly rate than that in the week ending July 23.

PRICES AND CIVILIAN SUPPLIES . . .

Prices beginning to react feverishly, control bill is vital, says Miss Elliott

Speaking before the North Carolina League of Municipalities, Durham, N. C., August 15, Harriet Elliott, Associate Administrator in charge of the Consumer Division, OPACS, declared: "Our best domestic protection against the terrors of a totalitarian economy is a price control plan which will provide that the dollar of the working man, the salaried employee, the farmer and the businessman will still buy a dollar's worth of goods or services . . . Morale and defense production cannot grow or flourish in an atmosphere where the headlines daily scream 'prices going up.'"

Excerpts follow:

There will shortly begin in Congress a vital debate. The stage for it is being set in the hearings on the Emergency Price Control Bill in the House of Representatives. The theme of this great debate will be inflation and the way in which this dread disease of money can be controlled.

No more important decision has faced the American people and the Congress since this defense emergency began. Our President, in sending his message to Congress on inflation, said that we stand, as we did in the closing months of 1915 "at the beginning of an upward sweep in the whole price structure."

Prices show feverish reactions

We are alarmed about the possibilities of inflation at the present time because prices are beginning to show feverish reactions. But that is a symptom and not a cause. If we look for the cause we find something else. A good illustration is furnished by silk hosiery as to how inflation works.

One morning a few weeks ago we all woke up to find that imports of silk had been cut off. Women practically mobbed the hosiery counters to buy as much as they could afford.

Here you have a true inflationary situation. The supply is greatly diminished. Just as many people are anxious to buy as before. But the goods are lacking. Under those circumstances, unless price controls are exercised by law there will be price rises. Multiply that situation enough times and we will have serious trouble on our hands.

Without additional powers it may be possible to limit price increases to moderate amounts for some months hence in a fairly wide range of commodities produced by a few large prominent corporations. But if a few prices are controlled, and others are allowed to run free, there is obvious inequity and unfairness.

Along with increased employment has gone larger aggregate salaries, wages, and dividend payments. But a lot of things are now interfering to prevent increased production from keeping pace with increased buying power. Manufacturers aren't getting enough basic materials and in some cases they can't get skilled labor. When there is a scarcity of raw materials, manufacturers tend to bid up the prices in order to get at least some of the available supply. Retailers likewise are sometimes willing to pay a premium for goods in order to get deliveries. Then consumers rush in and try to buy up everything in sight.

Partial remedies

One of the partial remedies for this situation which is looming up ahead is to increase taxes on consumers so as to balance the supply of money and the supply of goods. There is also open to all of us a plan of voluntary rationing of our incomes. We can do this by buying defense bonds and stamps with the

money we would otherwise put into goods that we can do without.

But valuable as taxes and the buying of stamps and bonds may be in preventing inflation they alone will not do the job. The time has come when we must have a broad and clear statutory basis for effective price control.

The Consumer Division of the Office of Price Administration and Civilian Supply is charged with the job of consumer protection. This price control bill, so modified and amended as Congress may deem necessary, is vitally necessary in carrying out our work of protecting the consumers of this country.

Wage earners and salaried workers constitute the largest single group affected by inflation but its ruinous effects penetrate to all groups and to all kinds of business.

The simple fact is that in the period from 1915 to 1918 while most wage earners received higher wages, they could buy less with them. Actually, their salaries were being whittled away by inflation, in some industries as much as 35 percent. Wage rates, both piece and time rates, characteristically lag behind changes in the cost of living.

Inflation is not only disastrous to consumers but to other sections of our economy. In 1917-18, inflation increased the cost of the war by a sum estimated at 15 billion dollars.

Business not immune

Nor is business immune to the effects of inflation. In 1920-21, the deflation which followed the inflation of the war years forced business firms to write down the value of their inventories by nearly 11 billion dollars.

The farmers have suffered just as heavily as any other group from inflation. The collapse of farm prices which followed the war not only decreased cash farm income and drastically deflated the value of farm acreage but it also greatly increased the burden of farm debt.

Nor do municipalities enjoy immunity from the dangers which threaten the other groups which I have been discussing. Municipalities are the nerve centers of both our social and political life; they provide transportation, police protection, health protection, communication and fire protection without which modern urban life could not go on. But all of these can be undermined by inflation and the efficiency of city administrations corroded.

DEFENSE SAVINGS STAMPS

soon will be on sale in retail stores throughout the country. Secretary Morgenthau announced the program after a meeting at the Treasury Department August 12, when executives of associations representing more than a million stores pledged immediate participation.

The retailers also endorsed "Retailers for Defense" Week, September 15 to 20, when the stores of every State will concentrate their efforts to enlist customers to buy Defense Savings Stamps. Before that time, most stores from coast to coast are expected to have Defense Stamps on sale.

OPACS cuts Southern pine lumber prices \$3 per thousand board feet

Prices of Southern pine lumber, which stands with Douglas fir at the top of the list of primary construction materials, are reduced roughly \$3 per thousand board feet from recent high levels by Price Schedule No. 19 announced August 16 by OPACS Administrator Henderson.

Simultaneously, Mr. Henderson disclosed that ceiling prices for Douglas fir lumber, which is generally competitive with Southern pine, will be established in the near future. A meeting to discuss such a schedule with representatives of the Douglas fir lumber industry has been called by OPACS for August 20 in Portland, Oreg.

Effective September 5

The Southern pine lumber schedule will go into effect as of September 5, 1941.

Preliminary to its determination of ceiling prices, OPACS consulted with representatives of the Southern pine lumber industry at a conference on August 6 and subsequently met with numerous individual members of the trade. Discussions similarly were had with Government agencies concerned, including the Procurement Services of the War and Navy Departments; Forest Service of the Department of Agriculture; Federal Works Administration; Department of Commerce; Division of Purchases of OPM; Department of Justice; and the Procurement Division of the Treasury Department.

Cost considered exorbitant

Mr. Henderson stated that lumber prices have been a matter of serious concern to him for almost a year and have occasioned several warnings against unjustified increases. Such stability as these warnings achieved was dissipated in June of the current year, when a new succession of price increases began. Prices of No. 2 common boards advanced from \$22 per thousand board feet in July 1940, to \$30 per thousand, f. o. b. mill, in July 1941. Today the cost of this and other types of lumber to the general public and to the defense program is exorbitant.

OPACS ceiling action, applied to the present annual scale of lumber buying, means a saving to civilian consumers and to the Government of more than \$20,000,000 a year. At the same time the Southern pine lumber industry is accorded a schedule of prices adequate to permit continued profit.

The price schedule applies only to sales from mills or concentration yards. Wholesale or retail yard prices, currently inflated, are expected to fall into line promptly.

"If this does not occur," Mr. Henderson said, "the ceiling will be extended to cover all wholesale and retail sales."

Costs of finishing and dressing, as well as expenses of distribution, are reflected in the schedule. Because of this latter factor, it is expected that mills will continue wholesalers' margins and other discounts now prevailing. Thus, present industry practices need not be disturbed.

Important to defense

Southern pine, sometimes called yellow pine, includes longleaf, slash, shortleaf, loblolly, and several other species of less importance. Southern pine lumber is employed in all kinds of building construction and has an important use in the defense program, particularly for cantonments and defense housing in the South and East.

About 95 percent of Southern pine is cut in ten States: Alabama, Texas, North Carolina, Mississippi, Arkansas, Louisiana, Georgia, Florida, South Carolina, and Virginia, ranking in importance in that order.

The price schedule recognizes no difference between longleaf and shortleaf pine in the grades and types covered. Long and large timbers, which are usually made of the longleaf variety, are excluded, as are certain other sizes. It is expected that the prices of these sizes will fall into line with the prices for the kinds and grades of lumber included in the schedule. Should this not follow, Mr. Henderson stated, the schedule will be extended to take them in.

Maximum prices are established for siding, ceiling, flooring, finish, boards, shiplap, fencing, dimension, and small timbers.

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McCormick appointed to OPACS price division

Cyrus McCormick, grandson of Cyrus H. McCormick, inventor of the reaper, has been appointed price executive of the automobile and truck section of OPACS' price division, Dr. J. K. Galbraith, assistant administrator in charge, announced August 10.

Aluminum scrap schedule changed to aid reconversion

Manufacturers using certain forms of wrought aluminum will be able to make more uniform arrangements for reconversion of their scrap into finished material under a provisional amendment to Price Schedule No. 2, Aluminum Scrap and Secondary Aluminum Ingot, announced August 16 by OPACS.

Heretofore, the price schedule operated to oblige converters to charge a higher conversion fee for some forms of wrought aluminum plant scrap, especially sheet scrap, than for others. As result of the amendment, the same low fee can be charged for all types of wrought scrap, other than forging scrap, thus permitting the converter to reflect his lower costs of handling this type of scrap as compared with the ordinary run of unsegregated material. Provision is made to prevent toll charges from rising out of proportion to the existing prices for scrap and ingot.

Plan is to reduce degrading

To obtain the benefit of the amendment, wrought aluminum scrap, excluding forgings, must be segregated as to alloy and delivered by the make of the scrap to a processor for reconversion into material similar to that from which the scrap was derived and pursuant to a written agreement for the return of an equivalent amount of refabricated material. Further, the toll agreement must be approved by the Director of Priorities.

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Prices for lead scraps soar; hoarding hampers output

Prices of lead scraps have risen to a point where their normal relationship to the price of virgin lead has been lost and some hoarding of scrap is taking place apparently in anticipation of even higher prices, OPACS Administrator Henderson announced August 16.

"Most collectors and dealers are co-operating by turning over their scrap rapidly, a course that must be continued if unnecessary dislocation of the smelting and fabricating branches of the industry is to be avoided," Mr. Henderson said.

"We cannot permit the output of essential lead products to be hampered by hoarding. Should ceiling action by my office become necessary, the maximum prices imposed will be considerably below current levels."

Ceiling on pig tin, 52 cents for Grade A, imposed to meet price inflation

Moving to meet the inflationary situation in tin prices created by concern over shipments from the Far East, OPACS Administrator Henderson, issued a price schedule August 15 establishing a ceiling price of 52 cents a pound on "Grade A" pig tin and lower prices for certain other grades.

Tin is widely used as a plating and alloying material in production of both armaments and civilian goods. The price, therefore, has an important bearing on cost of both the defense program to the Government and of consumer goods to the public generally.

Establishment of a maximum price is in line with the warning issued by Mr. Henderson on July 28 to the effect that a price ceiling might be set in the near future. At that time tin prices had moved up from around 53 cents to 55 cents a pound after rising gradually from the buying level of 50 cents established

by the Metals Reserve Co., an RFC subsidiary.

Differentials for various grades

The price schedule, which was prepared after discussions with trade representatives, establishes differentials for various grades of pig tin, for freight rates from various points of shipment, and for sales in lots of less than 5 gross tons. The latter differentials are intended to facilitate continued distribution of tin through jobbers to small consumers.

The schedule also provides for exemptions, under various restrictions, for firm commitments entered into prior to August 16, 1941, for sale of pig tin at prices higher than the maximums.

The schedule does not establish maximum prices for special shapes, such as small tin bars and tin anodes, but makers are expected to continue to sell them at not more than their customary and normal premiums over pig tin.

20 waste paper users agree to limit prices in bids

Twenty companies operating plants in the New York area and consuming large quantities of waste paper have agreed individually with the Office of Price Administration and Civilian Supply not to bid more for the three low grades of waste paper used in their manufacturing processes than the "New York" prices settled upon by OPACS and waste paper dealers at a meeting on July 25, 1941.

These prices, which continued quotations that prevailed on June 16, 1941, are \$11.50 per ton for No. 1 mixed paper; \$13 per ton for No. 1 baled news; and \$16.50 per ton for used corrugated boxes; all f. o. b. cars, New York.

The agreement on bids went into effect as of 2:30 p. m., Friday, August 8, 1941, and will continue in force until October 1, 1941, when existing arrangements with waste paper dealers expire. The manufacturers were to adjust any open contracts immediately and to receive no tonnage against such contracts after 7 a. m., August 11, 1941 except in conformance with their agreements.

Mercury supply above consumption, prices expected to go down, Henderson says

There is every prospect that presently quoted prices for mercury, about \$192 a flask, will be forced down in the near future by substantially augmented supplies that have become available to civilian users of the metal, OPACS Administrator Henderson announced August 15.

"Prices quoted currently are completely out of line," Mr. Henderson said. "In my opinion there is no reason for any private buyer to pay present prices. They should be readjusted to substantially lower levels, reflecting the new supply situation."

The entire Mexican output of over 2,000 flasks a month is now accruing to the Government's stockpile and domestic mines have been relieved for the present from their obligations to add to the Government's supplies. This has released several hundred flasks a month for civilian consumption and available supplies have been increased further by additional domestic production.

This change in what had been a tight situation has operated to increase supplies to a point above the current rate of consumption, Mr. Henderson stated.

The OPACS administrator suggested that anyone compelled to pay the high

current prices for his legitimate requirements of mercury should communicate with his office giving full information as to the nature and amount of requirements; use to which his product ultimately will be put; stocks on hand; prices quoted to him for mercury, and prices quoted by him for his finished product.

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Liquidation asked for open exchange positions in rubber

Liquidation of open positions in rubber on Commodity Exchange Inc., New York, at prices prevailing at the close of that day's trading was requested August 12, by OPACS Administrator Henderson, in a telegram addressed to the Board of the Exchange.

Since rubber dealers are no longer permitted to enter into purchase contracts in the Far East for their own accounts, the rubber futures market is no longer needed for hedging purposes, Mr. Henderson pointed out. For this reason, the Board of the Exchange since June 23 has prohibited all trading in rubber except for the purpose of settling contracts that were open on that date.

Less for truck deliveries

Parties to the new agreements include producers of paperboard, celotex, building paper and roofing felt as follows: Robert Gair Co., International Paper Co., United Paperboard Co., Certain-Teed Products Corporation, Flintkote Co., Barrett Co., Fort Orange Paper Co., and Johns-Manville Corporation, all of New York City; National Folding Box Co., and New Haven Pulp & Board Co., both of New Haven; Federal Paper Board Co., Inc., Bogota, N. J.; Robertson Paper Box Co., Montville, Conn.; Clifton Paperboard Co., Clifton, N. J.; Celotex Corporation and United States Gypsum Co., of Chicago; Container Corporation of America, Philadelphia; Schmidt & Ault Paper Co., York, Pa.; Continental Paper Co., Ridgefield Park, N. J.; McEwan Bros., Inc Whippany, N. J.; and Kieckhefer Container Co., Camden, N. J.

After a field investigation, OPACS has determined that differentials below the maximum prices for the three low grades of waste paper are warranted in the case of deliveries by truck, as against shipments by railroad cars. Hence, in the case of sales where delivery is made f. o. b. truck, the price to the buyer is 50 cents a ton less than the maximum price stipulated for each grade of waste paper under these agreements. Brokerage fees are to be absorbed by the seller and in no case are to be added to the selling price.

Reports of stocking price rises pour in; pay no more, Miss Elliott counsels

Harriet Elliott, Associate Administrator of OPACS, said on August 10 that many retailers and wholesalers of hosiery and other silk products had been taking advantage of the prospective shortage to gouge the public with unjustified price increases.

"Many of the Nation's retailers and wholesalers have patriotically refrained from raising the price of silk products on the basis of the raw silk shortage," Miss Elliott said. "But many others are deliberately taking advantage of the situation to reap windfall profits for themselves and do an injustice to their customers by raising prices although the cost of their existing stocks has not changed in the slightest."

Complaints from all sides

Miss Elliott said that citizens in all parts of the country were writing to her and reporting substantial increases in the retail price of hose. "Retailers are reporting increases in wholesalers' prices and wholesalers report increases in manufacturers' prices," Miss Elliott said. In this way unpatriotic self-interest is being pyramided all along the line.

Consumers should refuse to pay higher prices for silk hose, Miss Elliott advised. Pointing out that production of rayons, cottons, and nylons suitable for hosiery is being expanded, Miss Elliott urged consumers to buy hose for current needs only and vigorously to protest higher prices.

Protests from consumers

Among the protests being received by Miss Elliott are the following:

Philadelphia: "I wish to report a hosiery dealer who has raised his prices from 79 cents a pair to \$1. This sort of cheating should be stopped."

New York: "— Hosiery Co. had his hosiery at \$7.60 per dozen a few weeks ago. Now he charges \$10 per dozen. He is a wholesaler and had his stock for many months."

Paterson, N. J.: "Yesterday, in — Hosiery Shop, my sister and I purchased stockings at 47 cents per pair. Today they are 59 cents . . . They are taking advantage."

Ferndale, Mich.: "The — Shop has raised the price on extra-length hosiery 10 cents. That being in effect, I refused to make a purchase."

Washington, D. C.: "I was in the — Shoe Store Saturday and distinctly heard the clerks quote \$1.35 as the price

of nylon hose, selling regularly for a year at \$1.35. The price jumped this morning (Monday) 15 cents to \$1.50 a pair . . . I was told the hose were exactly the same."

New York: "Prices in the hosiery market have gone from \$6 a dozen to \$12 a dozen. It is a highway robbery."

Flushing, N. Y.: "I bought four pairs of Nylon hose at \$1.65 a pair that sold at \$1.35 a pair an hour earlier in the day."

Louisville, Ky.: "When I asked the clerk for the same hose which I bought for 50 cents a pair she told me that they were now 69 cents. I very angrily refused to pay that price and the clerk informed me that I might as well pay — (store) the additional price as all the merchants had raised the price on their stock."

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Discarded stockings not useful to defense at present

In response to numerous inquiries about the possible usefulness of collecting discarded old silk stockings to provide material for defense purposes, the Office of Production Management, August 13, made public the following statement by Frank Walton, chief of the textile branch.

"Silk fiber obtained from garnetting or reclaiming the fiber from old silk hosiery has a very limited use, if any, as a fabric for powder bags.

"Due to the necessity for stripping the fiber of dye and chemicals and other foreign matter, the fibers and the fabric thus obtained lack tensile strength and do not meet specifications for these bags.

"Research, of course, is constantly going on and it is impossible to say what the future developments will be. For some time experiments have been made to try to utilize this waste fiber, but without much success. These experiments of course will be continued. Unless and until some new means of using the fiber is found, no military end can be gained by the collection of discarded silk hosiery."

Mr. Walton remarked that some public confusion has developed because of the term "silk waste." Silk waste as the trade uses the term is the byproduct of silk mills or waste reclaimed from handling raw silk. It can be made into fiber for powder bags. The term is not applied to silk fiber reclaimed from hosiery.

Ceiling of 3.5 cents a pound on raw sugar combats speculation; supply plentiful

Moving to protect the American public from "rampant" speculation in sugar which has been pushing prices far above levels considered justified by large supplies in hand, OPACS Administrator Henderson announced August 12 a ceiling of 3.5 cents per pound on 96 degree raw sugars, duty paid, New York.

This is the price which prevailed in mid-July prior to the recent excessive speculative advance. It is 0.3 cent per pound under the price of 3.8 cents prevailing on August 11.

Refined sugar ceiling to be considered

Action was taken after consultation with officials of the Department of Agriculture and other Government agencies. Section 201 of the Sugar Act directs the Department to determine sugar requirements "so that the supply . . . shall not result in average prices to consumers in excess of those necessary to maintain the domestic sugar industry as a whole." Plans have been laid for conferences with processors and refiners to consider the question of placing a ceiling on refined sugar prices.

Deliveries up 30 percent

The total supply of sugar for 1941, which has been made available by the Secretary of Agriculture under the sugar quota law, is 7,769,621 short tons, raw value. This supply exceeds by over a million tons the actual consumption of last year and is sufficient to give consumers the highest per capita consumption on record. Supplies already received to date from offshore areas or marketed by continental areas of production are in the aggregate far greater than in other years. The total deliveries of sugar for January-June, 1941 are up 919,000 tons or about 30 percent in excess of the first half of last year.

Don't pay more, consumers told

"Consumers should not under any condition permit themselves to be cajoled into paying more for sugar in retail stores than at the present time," Mr. Henderson added. "There is more than enough sugar for everyone. Speculators have been endeavoring all through the year to reap a profit at expense of consumers throughout the country by frightening them with scare reports of one kind or another, although the actual situation is one of unusual abundance, not scarcity."

News for Retailers

Consumer Reaction to Retail Price Policy

Price administrators of the Office of Price Administration and Civilian Supply are concerned over the wasteful and harmful dislocations to our economy that can be caused by consumer hoarding and speculative price increases on the retail level.

Although some retailers and manufacturers may acquire short-run profits from participating in speculative price increases, leading retailers as well as OPACS officials point out that during a long-run inflation businessmen and nearly everyone else stands to lose.

Many merchants remember unfortunate experiences in the period of depression following the last war when they were caught with swollen inventories at inflated prices. OPACS officials point out that retailers who boost prices unnecessarily or stimulate advance buying may expect to forfeit consumer confidence and good will.

Hosiery Price Protests

Latest in a long line of consumer price complaints received by the Consumer Division of OPACS is the flood of letters during the past two weeks protesting retail silk stocking price advances. Excerpts from some of these letters appear on Page 14.

General Price Complaints

General consumer price complaint letters reaching the Consumer Division are growing in number. The increase from May to June was over 50 percent. Complaints during the first half of July almost equalled the total number of letters received during June.

In many cases resentment is directed toward retailers, fixing whole or part responsibility for the increases on their heads. In other instances, wholesalers, manufacturers, producers, or the Government are considered at fault.

Most of the letters protested rising food costs, particularly those in which national surpluses have been reported, but many objected to price increases or

quality deterioration in clothing and durable consumer goods.

Reaction of some of the consumers may be of interest to retailers. Comments from several letters follow:

Newark, N. J.—"We use a great deal of canned tomato juice—our dealer told us we had better buy two or three cases as there was going to be a shortage. That is ridiculous and should be stopped. At a time like this, people should not be kidded into spending their money for large supplies of things."

Oklahoma City.—"If there isn't something done about unnecessary price raises among wholesale and retail merchants (all over the U. S. A.) we are going to have a wonderful surplus of food products in a few months' time. There is absolutely no need for this. Nothing scarce here but money."

Lubbock, Tex.—"Please do not think I am a busybody, and trying to cause any trouble, but I do hate to see our good American people who are trying to buy bonds and willing to sacrifice our boys if it is necessary let some dad blasted food merchant . . . get rich through our bellies."

"Now It Is a Merry-Go-Round"

Portland, Oreg.—"In Portland, the 'speculative rise' in meat products started with the retailers—not with the packers, but it only took them about six weeks to catch up with the retailers; now it is a merry-go-round between the two, and the consumer is caught between them."

Fort Eustis, Va.—"Today I drove to Yorktown, Williamsburg and stopped at several highway restaurants; they are charging 15¢ and 20¢ for dime beer and since last Thursday hot dogs have gone up from 5¢ to 10¢. These were the only articles checked but everything else I am told has been advanced considerably. . . . The selectees make a very small salary and I for one hate to see profiteering at their expense. . . . This practice in areas near large Army Camps seems to me to be a direct violation of the President's proclamation on profiteering."

University City, Mo.—"My father makes about \$20 per week with no pros-

pect of earning more. . . . with everything going up, but wages remaining the same for us, what are we to do? We are not getting even the barest necessities of life—enough of the right food, at least. We are not the only family in the same position. Just how can we continue to exist? How can we be strong and healthy? Do we not need a strong people for our national defense?"

West Hempstead, Long Island, N. Y.—"We are thoroughly convinced there has never been anything like the high-handed and utterly unprincipled moves made by all classes of tradesmen in boosting the prices of all kinds of basic materials overnight. Our members have letters to show that prices of many needs in everyday life have been put up, by large percentages, for no good reason."

Milwaukee, Wis.—"I get to Platteville, Wis., often. . . . have a store there. I discovered that they have advanced prices considerable on items that have been in stock over a year. They just cross off the original price and write in an advanced figure. Noted an outboard motor and gladstone bags that I was interested in. To charge more for new items is right if the material is of recent acquisition and is to be expected if advances have been made in the wholesale price but to mark up old stock is not honest nor called for. They are making their regular profit plus this extra, which is all velvet or just plain robbery."

Check Up On Shortage Rumors

The number of retailers who unduly boost prices or encourage consumer hoarding is comparatively small, OPACS officials point out. In many of these cases retailers are made the unwitting pawns of speculators higher up, who stand to reap profits from panics. OPACS officials suggest that retailers guard against such practices by checking shortage rumors with Government reports, or by making inquiry direct to OPACS itself.

In contrast to the professional speculators, who make money on both rising and falling prices, retailers have a stake in maintaining stable prices and volume. Price fluctuations and shortage rumors create wide variations in volume, but no net increase to total sales over a long period. From the long-run point of view, the retailer, with fairly fixed costs for labor and rent, has nothing to gain from disturbances to normal trade.

Reserve Board to regulate credit to consumers; OPACS to be consulted

The President, by Executive Order published in the **FEDERAL REGISTER** August 13, designated the Board of Governors of the Federal Reserve Board to regulate consumer credit in the interest of national defense. The administrator of the Office of Price Administration and Civilian Supply or an alternate named by him is to be one of a committee to consult with the board in coordinating the board's efforts with other phases of national defense and in protecting the national economy.

Text of the order follows:

Declaration of necessity and purpose

Whereas a large volume of credit is being devoted to financing and refinancing purchases of consumers' goods and services through extensions of credit that usually are made to individuals and to a large extent are on an installment payment basis; and

Whereas the conditions under which such credit is available have an important influence upon the volume and timing of demand, not only for the particular goods and services purchased on credit but also for goods and services in general; and

Whereas liberal terms for such credit tend to stimulate demand for consumers' durable goods the production of which requires materials, skills, and equipment needed for national defense; and

Whereas the extension of such credit in excessive volume tends to generate inflationary developments of increasing consequence as the limits of productive capacity are approached in more and more fields and to hinder the accumulation of savings available for financing the defense program; and

Whereas the public interest requires control of the use of installment credit for financing and refinancing purchases of consumers' durable goods the production of which absorbs resources needed for national defense, in order (a) to facilitate the transfer of productive resources to defense industries, (b) to assist in curbing unwarranted price advances and profiteering which tend to result when the supply of such goods is curtailed without corresponding curtailment of demand, (c) to assist in restraining general inflationary tendencies, to support or supplement taxation imposed to restrain such tendencies, and to promote the accumulation of savings available for financing the defense program, (d) to aid in creating a backlog of demand for consumers' durable goods, and (e) to restrain the development of a consumer debt structure that would repress effective demand for goods and services in the post-defense period; and

Whereas in order to prevent evasion or avoidance of this order and such regulations as may be prescribed to effectuate its purposes, means should also be available for regulating the use of other installment credit and other forms of credit usually extended to consumers or on consumers' durable goods; and

Whereas it is appropriate that such credit be controlled and regulated through an existing governmental agency which has primary responsibilities with respect to the determination and administration of national credit policies:

Now, therefore, by virtue of the authority vested in me by section 5 (b) of the act of October 6, 1917, as amended, and by virtue

of all other authority vested in me, and in order, in the national emergency declared by me on May 27, 1941, to promote the national defense and protect the national economy, it is hereby ordered as follows:

Administration

SECTION 1. (a) The Board of Governors of the Federal Reserve System (hereinafter called the Board) is hereby designated as the agency through which transfers of credit between and payments by or to banking institutions (as defined herein pursuant to section 5 (b) of the aforesaid Act) which constitute, or arise directly or indirectly out of, any extension of credit of a type set out in section 2 (a) of this order shall be investigated, regulated, and prohibited.

(b) The Board shall, whenever it deems such action to be necessary or appropriate, take any lawful steps herein authorized and such other lawful steps as are within its power to carry out the purposes of this order, and may, in administering this order, utilize the services of the Federal Reserve Banks and any other agencies, Federal or State, which are available and appropriate.

(c) In order to facilitate the coordination of the Board's functions under this order with other phases of the program for national defense and for protecting the national economy, there shall be a committee consisting of the Secretary of the Treasury, the Federal Loan Administrator, and the Administrator of the Office of Price Administration and Civilian Supply, or such alternate as each shall designate, and such other members as the President shall subsequently appoint. The Board shall maintain liaison with the committee, and in formulating policies with respect to down-payments, maturities, terms of repayment, and other such questions of general policy shall consult with the committee and take into consideration any suggestions or recommendations it may make.

Regulations

SEC. 2. (a) Whenever the Board shall determine that such action is necessary or appropriate for carrying out the purposes of this order, the Board shall prescribe regulations with respect to transfers and payments which constitute, or arise directly or indirectly out of, any extension of installment credit for the purpose of purchasing or carrying any consumers' durable goods except a residential building in its entirety; and the Board may in addition, to the extent deemed by it to be desirable and feasible in order to prevent evasion of such regulations as may be so prescribed or in order to control forms of credit the use of which might defeat the purposes of this order and such regulations, prescribe regulations with respect to transfers and payments which constitute, or arise directly or indirectly out of, (1) any other extension of installment credit, or (2) any other extension of credit for the purpose of purchasing or carrying any consumers' durable goods, or (3) any other extension of credit in the form of a loan other than a loan made for business purposes to a business enterprise or for agricultural purposes to a person engaged in agriculture. Such regulations may be prescribed by the Board at such times and with such effective dates as the Board shall deem to be in accordance with the purposes of this order.

(b) Such regulations may from time to time, originally or by amendment, regulate or prohibit such transfers and payments or exempt them from regulation or prohibition and may classify them according to the

nature of the transactions or goods or persons involved or upon such other basis as may reasonably differentiate such transfers and payments for the purposes of regulations under this order, and may be made applicable to one or more of the classes so established; and, without limiting the generality of the foregoing, such regulations may require transactions or persons or classes thereof to be registered or licensed; may prescribe appropriate limitations, terms, and conditions for such registrations or licenses; may provide for suspension of any such registration or license for violation of any provision thereof or of any regulation, rule, or order prescribed hereunder, may prescribe appropriate requirements as to the keeping of records and as to the form, contents, or substantive provisions of contracts, liens, or any relevant documents; may prohibit solicitations by banking institutions which would encourage evasion or avoidance of the requirements of any regulation, license, or registration under this order; and may from time to time make appropriate provisions with respect to—

(1) The maximum amount of credit which may be extended on, or in connection with any purchase of, any consumers' durable good;

(2) The maximum maturity, minimum periodic payments, and maximum periods between payments, which may be stipulated in connection with extensions of credit;

(3) The methods of determining purchase prices or market values or other bases for computing permissible extensions of credit or required down-payments; and

(4) Special or different terms, conditions, or exemptions with respect to new or used goods, minimum original cash payments, temporary credits which are merely incidental to cash purchases, payment or deposits usable to liquidate credits, and other adjustments or special situations.

(c) On and after the effective date of any regulation prescribed by the Board with respect to any extension of credit of a type set out in section 2 (a), and notwithstanding the provisions of any other proclamation, order, regulation, or license under the aforesaid Act, all transfers and payments which are in violation of such regulation shall be and hereby are prohibited to the extent specified in such regulation.

(d) Neither this order nor any regulation issued thereunder shall affect the right of any person to enforce any contract, except that after the effective date of any such regulation every contract which is made in connection with any extension of credit and which violates, or the performance of which would violate, any provision of such regulation (other than a provision designated therein as being for administrative purposes), and every lien, pledge, seller's interest in a conditional sale, or other property interest, subject to the provisions of such contract or created in connection therewith, shall be unenforceable by the person who extends such credit or by any person who acquires any right of such person in such contract; provided that such disability shall not apply to any person who extends such credit, or acquires such right for value, in good faith and without knowing or having reason to know the facts by reason of which the making or performance of such contract was or would be such a violation.

Reports

SEC. 3. Reports concerning the kinds, amounts, and characteristics of any extensions of credit subject to this order, concerning transfers and payments which arise out of any such extensions of credit, or concerning circumstances related to such extensions of credit or such transfers or payments or to the regulation thereof, shall be filed on such forms, under oath or otherwise, at such times and from time to time, and by such persons, as the Board may prescribe by rule, regulation, or order as

necessary or appropriate for enabling the Board to perform its functions under this order. The Board may require any person to furnish, under oath or otherwise, complete information relative to any transaction within the scope of this order, including the production of any books of account, contracts, letters, or other papers, in connection therewith in the custody or control of such person.

Definitions

Sec. 4. For the purposes of this order, unless the context otherwise requires, the following terms shall have the following meanings, provided that the Board may in its regulations give such terms more restricted meanings:

(a) "Person" has the meaning set forth in section 5 (b) of the act of October 6, 1917, as amended.

(b) "Transfers and payments" means "transfers of credit between and payments by or to banking institutions."

(c) "Banking institution" means any person engaged as principal, agent, broker, or otherwise, in the business of making or holding extensions of credit and includes, without limitation, any bank, any loan company, and finance company, or any other person engaged in the business of making or holding extensions of credit whether as a vendor of consumers' durable goods or otherwise.

(d) "Consumers' durable good" includes any good, whether new or used, which is durable or semi-durable and is used or usable for personal, family or household purposes, and any service connected with the acquisition of any such good or of any interest therein.

(e) "Extension of credit" means any loan or mortgage, any installment purchase contract, any conditional sales contract, or any sale or contract of sale under which part or all of the price is payable subsequent to the making of such sale or contract; any rental-purchase contract, or any contract for the bailment or leasing of property under which the bailee or lessee either has the option of becoming the owner thereof or obligates himself to pay as compensation a sum substantially equivalent to or in excess of the value thereof; any contract creating any lien or similar claim or property to be discharged by the payment of money; any purchase, discount, or other acquisition of, or any extension of credit upon the security of, any obligation or claim arising out of any of the foregoing; and any transaction or series of transactions having a similar purpose or effect.

(f) An extension of credit is an extension of "installment credit" if the obligor undertakes to repay the credit in two or more scheduled payments or undertakes to make two or more scheduled payments or deposits usable to liquidate the credit, or if the extension of credit has a similar purpose or effect, or if it is for the purpose of financing a business enterprise which makes such extensions of credit.

(g) An extension of credit is "for the purpose of purchasing or carrying any consumers' durable good" if it is directly or indirectly for the purpose of financing or refinancing the purchase of any consumers' durable good or is directly or indirectly secured by any consumers' durable good, or if the extension of credit has a similar purpose or effect, or if it is for the purpose of financing a business enterprise which makes such extensions of credit.

Penalties

Sec. 5. Whoever willfully violates or knowingly participates in the violation of this order or of any regulation prescribed hereunder, shall be subject to the penalties applicable with respect to violations of section 5 (b) of the said act of October 6, 1917, as amended.

Burlap ceiling brings prices 20 percent under New York spot market quotations

Prices farmers and industrial users pay for burlap bags and other types of burlap are expected to be reduced substantially from present inflated levels as result of a price ceiling on burlap approximately 20 percent below recent quotations on the New York spot market announced August 16 by OPACS Administrator Henderson.

Burlap used in this country is virtually all imported from India. The material is widely used in packaging feed, fertilizer, and agricultural and industrial products, and in the manufacture of floor coverings, automobiles, furniture, and other goods. During the past 12 months the price of burlap in New York or en route to this country has more than doubled. Prices of burlap bags have likewise shown a very sharp increase.

Factors contributing to price rise

The price increase in this country has been due in part to higher prices in Calcutta, in part to higher shipping and insurance costs, and in part to a wholly unjustified increase in the margin between what importers pay for burlap and what they sell it for.

The schedule of ceiling prices is in two parts, the first establishing maximums for deliveries made on or before December 31, 1941, of 17 different constructions

of burlap, and the second establishing maximum prices on the same constructions delivered on or after January 1, 1942. The maximum prices which will go into effect January 1 are 5 percent lower than those which will prevail in the earlier period.

The maximum prices for the period ending December 31, 1941, are approximately 15 percent above the Calcutta prices of July 29. This mark-up of 15 percent is adequate to cover increased shipping and insurance costs and to maintain importers' margins at their normal level.

Calcutta prices not affected

No ceiling action is being taken at present in regard to the price which importers may pay to Calcutta suppliers. This is in line with advice of a trade advisory group, including both importers and bag manufacturers, who were consulted by OPACS officials in preparing the price schedule. It is believed, however, that imposition of the ceiling will have a salutary effect on prices charged for burlap in Calcutta. Should this result fail to eventuate further steps will be taken promptly.

Imposition of the ceiling is also expected to produce a downward movement in the price of second-hand bags to their normal price relationship of 30 to 40 percent under the prices of new bags of similar kind and quality.

OPACS asks steel industry for complete data as basis for any ceiling shifts

Questionnaires were mailed August 15 to 225 members of the steel industry to obtain for the Office of Price Administration and Civilian Supply complete and accurate statistical data on which to base decisions on any adjustments that may become necessary in the ceiling prices established for iron and steel products.

Data on steel production by tonnage and forms, raw materials consumed, sales by products, income and expense accounts, financial position and pay rolls from each of the producers, will provide OPACS with an over-all picture of the iron and steel industry, as well as of the difference in character of operations and financial results of the individual companies.

Because the information is required promptly, the questionnaires request only such data as should be readily available from records of the steel companies for the year 1940 and the first two quarters of 1941.

Four schedules in questionnaire

Four schedules are incorporated in the questionnaire. They are: (1) Consolidated profit and loss statements; (2) purchases, production, and sales; (3) wages, salaries, man-hours, employment, and major wage and salary rate changes; (4) consolidated balance sheets, and (5) historical data as to production, profits, etc., from 1936 through 1940 and for the first two quarters of the current year.

PURCHASES . . .

\$256,808,229 War, Maritime contracts cleared August 7 through August 13

Defense contracts amounting to \$256,808,229 were awarded by two government agencies and cleared by the Division of Purchases, Office of Production Management, during the period August 7 through August 13. This compares with \$231,754,498 for the previous week. Of the latest total, \$214,058,229 was awarded by the War Department and \$42,750,000 by the Maritime Commission.

Contracts for construction amounted to \$149,941,113, for equipment and supplies to \$12,896,342, for ordnance to \$46,473,823, for shipbuilding to \$42,750,000 and for aircraft to \$4,746,951.

Contracts awarded during the period were:

CONSTRUCTION

Two contractors: Henry Ericsson Co., construction, and Nimmons, Carr and Wright, architects and engineers, both of Chicago, Ill.; design and construction of a Central Ordnance Regulating Station, near Momece, Ill. Station will include 20 warehouses and 176 magazines to supply ammunition components to loading plants; \$4,884,029.

Six contractors: Pearson & Dickerson, Inc., Tanner Construction Co., J. A. Casson Co., Oswald Bros., Lee Moor Contracting Co., and Phoenix-Tempe Stone Co., all of Phoenix, Ariz.; construction of aprons, runways, etc., Mesa Military Airport, at Higley, Ariz.; \$1,878,061.50.

General Tire Engineering Co., Jackson, Miss. (Subsidiary of General Tire and Rubber Co., Akron, Ohio); management of construction, including supervision of sub-contracts for architect-engineer services and procurement of equipment, of Mississippi Ordnance Plant at Flora, Miss. Plant will load charges for 105 and 155 mm. howitzers and 155 mm. guns; \$11,970,202.

Harry B. Friedman, Fort Worth, Tex.; construction of a Quartermaster Depot on a site near Fort Worth. Contract covers construction of 496,800 square feet of warehouse area, shops, etc.; \$1,627,490.

J-M Service Corporation, New York, N. Y. (Subsidiary of Johns Manville Corporation); management of construction, procurement of equipment and operation of plant when constructed, of Kansas Ordnance Plant, Parsons, Kans. Plant will load 105 mm. howitzer shells, 155 mm. shells, 100-lb. bombs, fuses, boosters and detonators; \$27,111,620.

Two contractors: Frank Messer and Sons, Inc., Cincinnati, Ohio, construction, and Allied Engineers and Architects, Lexington, Ky.; construction of Signal Corps storage depot at Avon, Ky.; \$2,036,500.

T. L. James and Co., Inc., Rustin, La.; construction of an Advanced Single Engine Flying School at Lake Charles, La. Construction of 125 temporary buildings with necessary utilities; \$1,604,236.

Permanent Construction Co., Chicago, Ill.; construction of warehouse at Rock Island Arsenal, Ill.; \$1,657,300.

M. B. Kahn Construction Co., Columbia, S. C.; additional construction at overseas discharge and replacement depot at Charleston, S. C.; \$552,700.

Aeronautical Products, Inc., Detroit, Mich.;

for additional plant facilities used in the manufacture of aircraft parts; \$36,908.

Elastic Stop Nut Corporation, Union, N. J.; additional machinery and equipment to be used for the manufacture of self-locking nuts; \$608,736.

Singer Manufacturing Co., New York, N. Y.; additional machinery and equipment for use in the company's plants at Elizabeth, N. J., and Bridgeport, Conn., for the manufacture of artillery fire control equipment; \$665,000.

Commercial Solvents Corporation, New York, N. Y.; construction and management of anhydrous ammonia plant at Dixie Ordnance Works, Sterlington, La.; and 1 year's output of ammonia; \$9,250,000.

Remington Arms Co., Inc., Bridgeport, Conn.; construction and management of armor piercing and tracer ammunition of .30 and .50 caliber type, and output of plant for 1 year; \$86,058,331. (Subcontract of \$18,500,000 for designing and construction; \$11,985,000 for purchase of machinery and equipment.)

EQUIPMENT AND SUPPLIES

Homelite Corporation, Port Chester, N. Y.; gasoline engine driven generators; \$2,141,298. J. Lasking & Sons Corporation, Milwaukee, Wis.; sheep shearing (fleece); \$786,448.50.

Fairchild Aviation Corporation, Jamaica, N. Y.; cameras and equipment; \$619,298.75.

Singer Manufacturing Co., New York, N. Y.; additional machinery and equipment for use in the company's plants at Elizabeth, N. J., and Bridgeport, Conn. for the manufacture of artillery fire control equipment; \$665,000.

Elastic Stop Nut Corporation, Union, N. J.; additional machinery and equipment to be used for the manufacture of self-locking nuts; \$608,736.

Collins Radio Co., Cedar Rapids, Iowa; radio transmitting equipment; \$524,200.

Western Electric Co., Inc., Kearny, N. J.; radio receiving and transmitting components; \$2,483,007.12.

J. P. Stevens & Co., New York, N. Y.; 3,398,352 yds. cotton twill for uniforms; \$1,340,649.86.

Ford Motor Co., Dearborn, Mich.; ¼ ton 4 by 4 trucks; \$971,750.

American Bleached Goods Co., Sayesville, R. I.; 2,635,000 yds. wind-resistant cotton cloth; \$1,227,374.

Brown Shoe Co., St. Louis, Mo.; 150,000 pairs of service shoes; \$504,000.

Charles A. Eaton Co., Brockton, Mass.; 150,000 pairs of service shoes; \$520,580.19.

International Shoe Co., St. Louis, Mo.; 150,000 pairs of service shoes; \$504,000.

ORDNANCE

American Brake Shoe & Foundry Co., American Forge Division, Chicago, Ill.; shell forgings; \$507,960.

Gabriel Co., Cleveland, Ohio; shell bodies; \$610,000.

Dresser Manufacturing Co., Bradford, Pa.; shell forgings; \$962,500.

Oliver Farm Equipment Co., Springfield, Ohio; metal packing crates; \$804,100.

Kilby Steel Co., Anniston, Ala.; shell forgings; \$6,127,200.

Electric Household Utilities Co., Chicago, Ill.; booster parts; \$755,590.

Murray Mfg. Corporation, Brooklyn, N. Y.; shell bodies; \$1,792,000.

Regina Corporation, Rahway, N. J.; bomb nose fuze; \$548,895.

Armstrong Cork Co., Lancaster, Pa.; cartridge cases; \$520,000.

John Dunlap Co., Carnegie, Pa.; cartridge cases; \$970,000.

Pullman Standard Car Mfg. Co., Butler, Pa.; shell; \$915,000.

W. C. Norris, Manufacturer, Inc., Tulsa, Okla.; shell; \$574,024.

National Supply Co., Spang-Chalfant Division, Ambridge, Pa.; steel forgings; \$5,093,130.

Weatherhead Co., Cleveland, Ohio; fuzes; \$599,500.

Gisholt Machine Co., Madison, Wis.; lathes; \$668,500.

American Can Co., New York, N. Y.; fiber containers; \$7,087,755.17.

American Brass Co., Kenosha, Wis.; brass cups; \$16,047,668.60.

Pittsburgh Steel Co., Allenport, Pa.; shell; \$1,890,000.

AIRCRAFT

Fairchild Engine and Airplane Corporation, Fairchild Aircraft Division, Hagerstown, Md.; airplanes and parts; \$4,746,951.

MARITIME COMMISSION

SHIPBUILDING

Lake Superior Shipbuilding Co., Superior, Wis.

Leatham Smith Coal and Shipbuilding Co., Sturgeon Bay, Wis.

Oldenbach Shipbuilding Corporation, Rochester, N. Y.

Basalt Rock Co., Inc., Napa, Calif.

Pacific Bridge Co., San Francisco, Calif.

Each of the above companies received contracts under Lend-Lease funds, for the construction of nine single-screw "coaster" cargo vessels, about 2,800 deadweight tons each, at an average price of approximately \$950,000 per vessel; total cost, \$42,750,000.

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MacPherson appointed assistant director

Appointment of James MacPherson of San Francisco as assistant director of purchases in charge of the Equipment and Supplies Branch was announced by Purchases Director Nelson.

Mr. MacPherson, who is on leave of absence from his position as secretary-treasurer of the California-Arabia Standard Oil Co., replaces Donald G. Clark, who has been detached for special assignment as consultant on Army procurement problems.

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DCB CONSERVES AIRCRAFT FREQUENCY FOR DEFENSE

Communication needs of aircraft in connection with defense have prompted the Defense Communications Board to have the Federal Communications Commission withdraw the frequency 3105 kilocycles which had been assigned to scheduled aircraft and substitute 3117.5 kilocycles, for private use.

TRANSPORTATION . . .

Export rail movement for July reaches highest point in recent years

Cars of export freight unloaded at Atlantic, Gulf, and Pacific ports in July this year totaled 61,255 cars, an increase of 17.7 percent over the 52,041 cars unloaded during July 1940, according to reports made available to Ralph Budd, Transportation Commissioner, by the Association of American Railroads. This is the largest number of cars unloaded in any month since the statistics were inaugurated following the start of the present war in the late part of 1939.

The cars of grain (included in above figures) unloaded in July this year for export totaled 6,273 cars compared with 2,260 during the same month in 1940.

Congestion avoided

No congestion or delay to traffic exists at any of the Atlantic, Gulf, or Pacific ports due to the cooperation and advance planning of all concerned—railroads, steamship lines, port authorities, exporters, and shippers. The heaviest movement is and has been to the North Atlantic ports, but despite this there is

and has been ample railroad storage space available at all ports. In November 1939, having in mind the congestion which occurred in 1917 and 1918 at our ports, the Association of American Railroads appointed a Manager of Port Traffic to watch the situation from day to day and week to week at all ports, and clothed him with authority to control the movement through issuance of embargoes at any time when the volume of receipts at a port results in an undue accumulation of cars under load. Working cooperatively with all concerned in the handling of export freight, it has so far been possible to handle a tremendous increase in tonnage without the necessity for restrictive measures of any kind with the exception of embargoes controlling movement to grain elevators at ports.

New York above 1,000 daily

At the Port of New York the number of cars unloaded for lighterage in July 1941 averaged 1,085 daily. This was the third consecutive month in which unloadings exceeded 1,000 cars daily. In July 1940, aver-

age unloading of cars for lighterage was 876 daily.

Eastbound freight, of which approximately 88.3 percent was for export, lighteraged at New York in July 1941 totaled 830,603 tons, compared with 724,864 tons in the preceding month and 658,007 tons in July 1940. This was an increase of 14.6 percent compared with June 1941 and an increase of 26.2 percent compared with July last year. This was the heaviest eastbound tonnage handled in any one month since the Association began compiling statistics in November 1939.

Westbound lighterage tonnage, most of which is import traffic, in July 1941 totaled 244,004 tons compared with 254,410 tons in the preceding month, and 127,126 tons in July 1940. This was a decrease of 4.1 percent compared with June 1941, and an increase of 91.9 percent compared with July last year.

Eastbound and westbound lighterage tonnage combined handled in July totaled 1,074,607 tons, exceeding the 1,000,000 mark for the first time since the Association began compiling its statistics in November 1939.

Decrease in Boston

Cars of export freight, other than grain, unloaded at Boston in July totaled 847, compared with 966 in July last year, or a decrease of 12 percent. There was an increase of 115 percent in the number of cars of coastwise and intercoastal traffic unloaded at the port, compared with July last year.

At Philadelphia, 3,590 cars of export freight, other than grain, were unloaded in July, compared with 3,467 last year, or an increase of 4 percent. There was an increase of 22 percent in the number of cars of coastwise and intercoastal traffic unloaded at the port, compared with July last year.

Cars of export freight, other than grain, unloaded at Baltimore in July totaled 3,408, compared with 4,037 in July last year, or a decrease of 18 percent.

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Steps taken to tap 232,000 tons of abandoned rails buried in city streets

Steps are being taken to scrap street car and railroad rails which have been abandoned and left imbedded in city streets, Ralph Budd, Transportation Commissioner in the Office for Emergency Management, announced August 15.

The purpose is to make the rails available to steel industries urgently needing additional scrap iron and steel for defense production.

More than 232,000 tons of scrap iron are imbedded in city streets, it is indicated by a survey made by Charles Gordon, urban transportation consultant on Mr. Budd's staff. The survey covered members of the American Transit Association of which Mr. Gordon is managing director.

WPA assistance considered

A plan is under consideration whereby the Work Projects Administration would aid in providing the necessary funds for removing the rails and making necessary repairs to the streets involved.

Coincident with announcement of this undertaking, the Office for Emergency Management asked the country's railroads to check their entire systems and make available quickly all possible scrap.

OEM appeals to railroads

The OEM asked the railroads, which normally supply about 23 percent of all commercial scrap, to consider especially the following suggestions to increase the normal supply:

1. Remove railroad sidings, branch lines, and industrial tracks where they are not actually needed for present or prospective business. Appropriate action by public bodies is requested to facilitate this program.

2. Check equipment and dismantle promptly cars and locomotives that are not to be repaired.

3. Check miscellaneous facilities such as junk tools, bridges, and buildings, and dismantle those no longer needed to make available all metal for scrap.

Carloadings 20.8 percent above corresponding week of 1940

Revenue freight carloadings during the week ended August 9 totaled 878,549, an increase of 20.8 percent over the 727,073 cars loaded during the corresponding week in 1940, but a decrease of 4,516 cars under the preceding week of 1941.

CARLOADINGS—WEEK ENDED AUGUST 9

	1941	1940	Percent increase
Grain and grain products.....	45,887	41,386	10.9
Livestock.....	10,021	10,732	10.6
Coal.....	166,429	125,857	32.2
Coke.....	13,056	10,283	27.0
Forest products.....	49,118	36,174	35.8
Ore.....	76,697	70,209	9.2
Merchandise, l. c. l.....	156,684	149,407	4.7
Miscellaneous.....	360,657	282,765	27.5
Total.....	878,549	727,073	20.8
Cumulative (32 weeks).....	25,021,400	21,181,985	18.1

¹ Decrease.

AGRICULTURE . . .

(Information furnished through Office of Agricultural Defense Relations,
U. S. Department of Agriculture)

Farm organization committee for defense named at President's suggestion

President Roosevelt regards food as "a weapon against Hitlerism just as much as munitions" and believes that "food will continue to be a weapon in all efforts toward securing a more orderly, prosperous and peaceful world."

The President's views were expressed in a letter thanking Secretary Wickard for a report on the effectiveness of the Department of Agriculture's Food-For-Defense Program. In response to a suggestion in the President's letter, Secretary Wickard named the presidents of four leading farm organizations as a committee on agricultural production for defense and related matters.

Dated July 25, the Presidential letter was made public August 12. It follows:

Dear Mr. SECRETARY.—I want to thank you for your letter of July 24th. The information it gives about increases in the production of vital foods and feeds is reassuring. In this time of crisis, food is a weapon against Hitlerism just as much as munitions and food will continue to be a weapon in all efforts toward insuring a more orderly, prosperous and peaceful world.

I am glad also that national farm programs have given us machinery whereby we can increase production without repeating the errors of the last World War. During that struggle, in an effort to produce food and feed, we sinned gravely against our soil. The dust storms and the eroding of millions of acres of once fertile land told us in later years the extent of our error.

Meeting situation by orderly production

Our lack of preparedness during the last World War made the establishment of a food administration necessary. Thus far in this war we have not needed a food administration, and I see no reason to believe we will need one in the future. Agriculture is meeting the situation much more satisfactorily by increasing production in an orderly way so that our own needs and the needs of our friends can be met without causing scarcity or unduly high prices.

Farmers have responded quickly

As you have told me, farmers have responded quickly to appeals for increased production. When democracy is in danger, our farmers always have rallied to its defense, and they always will. All they ask in return for their increased production is fair prices and assurances of protection after the emergency has passed. I think farmers should have these assurances insofar as we are able to give them.

As you pointed out, we need not only abundant production for ourselves and for other nations resisting aggression, but we need reserves to meet emergencies which can as yet be only dimly foreseen. The monstrous forces that Nazism has loosed upon the world are ravaging many lands. The first task is to beat down these forces and then to repair the damage they have done

to the best of our ability. In this process of rebuilding and rehabilitation, food will be essential.

I know you will not hesitate to increase production of vital food to the extent necessary to protect ourselves against existing emergencies and prospective emergencies of the future. I am well aware that the farm programs are flexible. I have pointed out on several occasions that they could be used to step up production just as readily as they could be used to adjust burdensome surpluses. The Ever-Normal Granary is a part of the programs, and because of the Granary we have today the feed which enables us to produce additional quantities of food.

So far as farmers are concerned, I believe they can rest assured that they will receive fair prices for their products and that they will be protected after the crisis is past. The time has come to reward abundance to the fullest possible extent.

I appreciate the information about the organization of the defense boards. They should enable the Department to better concentrate its resources on defense efforts. I am certain also that you are utilizing to the fullest extent the agencies outside the Department. As an example, I am sure you will arrange for the fullest cooperation with the Office of Civilian Defense and its Volunteer Participation Committee.

In this connection, I remember very clearly the indispensable assistance that the farm organizations gave the Government during the first World War. Since they are the spokesmen for hundreds of thousands of farmers, these organizations are in position

to tell the Department what the producers want and need and to tell producers what the Government wants and needs.

I know that you are advising with officials of the leading farm organizations from time to time. To be certain, however, that we utilize the experience and resources of the farm organizations in the most effective way, I suggest that in consultation with Chairman La Guardia and the Office of Civilian Defense, you name representatives of farm groups to constitute a farm organization committee on agricultural production for defense and related matters.

Very sincerely yours,

(signed.) FRANKLIN D. ROOSEVELT.

Farm organization committee named

The farm organization committee is composed of James G. Patton, president of the Farmers' Educational and Cooperative Union of America; Edward A. O'Neal, president of the American Farm Bureau Federation; Louis J. Taber, Master of the National Grange; and Judge John D. Miller, president of the National Cooperative Council. The appointments were made after consultation with the Office of Civilian Defense.

The committee will meet regularly with the Secretary of Agriculture and other Department officials to aid with the defense production effort and to give assistance in other matters where the experience and resources of the farm organizations will prove helpful in meeting defense needs.

T. R. Reid appointed OCD liaison officer

T. Roy Reid, Assistant to the Secretary, has been appointed by Secretary Wickard to serve as the Department of Agriculture's liaison officer with the Office of Civilian Defense.

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Col. Edgar S. Gorrell to succeed C. R. Smith as consultant

Ralph Budd, Transportation Commissioner, announced August 16 the resignation of C. R. Smith as consultant on domestic air transportation in the Transportation Division, OEM, and appointment of Col. Edgar S. Gorrell in his place.

Colonel Gorrell is president of the Air Transport Association of America. He holds degrees from the U. S. Military Academy at West Point, the Massachusetts Institute of Technology and Norwich University.

Campbell named associate regional housing coordinator

Appointment of O. W. Campbell as associate regional coordinator of the Division of Defense Housing Coordination was announced August 13 by C. F. Palmer, Coordinator. Mr. Campbell becomes a full-time assistant to Winters Haydock, coordinator for the western part of the United States.

Mr. Campbell, formerly of the League of California Cities, and more recently a field representative of the Office for Civilian Defense, will represent the Division of Defense Housing coordination in California, Nevada, Arizona, and New Mexico. His office will be located in Berkeley.

Mr. Scarborough's territory will include Oregon, Washington, Utah, Idaho, and Montana. Mr. Haydock, the regional coordinator, who is stationed in Washington, D. C., will supervise these areas.

Two new panels to seek ways of protecting quality of goods, conserving resources

Advice on ways and means for better protection of the quality of the things which consumers buy, and for conserving resources essential for defense will be given by two advisory panels which are being set up in the Standards Section, Consumer Division, OPACS.

Miss Harriet Elliott, Associate Administrator of OPACS in charge of the Consumer Division, made the announcement of this new activity.

Standards advisory panel

The standards advisory panel, one of the two, will be made up of a limited number of representatives of commercial and private standards—formulating, standards-promulgating and standards-using companies whose work is in the consumer goods field. This panel will confer with member of the standards section of the Consumer Division on simplification of materials and lines of production, utilizing of standards and specifications already drawn, promoting grades and sale by quality-identifying labeling systems wherever by such means significant savings in materials, plant capacity, shipping or other costs can be effected and wherever there may arise in connection with materials or capacity shortages, serious problems of quality deterioration, use of substitute materials or unduly rapid price advances in consumer goods.

Purchasing agents advisory panel

The second or governmental and institutional purchasing agents advisory panel will include purchasing agents of several cities, States, and universities. The functions of this group, in addition to those outlined above, will include advising the staff of the standards section on the formulation of programs designed to increase the use of standards, specifications and scientific purchasing methods in governmental, institutional and university purchasing offices.

In addition to these two panels, technical committees have been established within the Government along commodity lines with members drawn from such agencies as the Bureau of Standards, the Agricultural Marketing Service, the Pure Foods and Drug Administration and the Bureau of Home Economics. The work of these committees together with the two panels now being formed, will provide information Miss Elliott said, "for our work with the price and

civilian allocation section of OPACS and other Government agencies as well as data for our advice to the general public on how to save in the use of materials and equipment."

Will hold joint meeting August 22

The first meeting of both of these new panels, Miss Elliott said, will be a joint session to be held in Washington August 22, at the headquarters of the Consumer Division. This new program of work will be carried on under the direction of Dr. Robert A. Brady, chief of the standards section and economic adviser to Miss Elliott. It is planned to have each panel meet on the third Friday of each month.

Those who have been invited to attend the first meeting of the standards advisory panel are as follows:

Paul G. Agnew, American Standards Association; Jules Labarthe, Kaufman Department Store, Pittsburgh, Pa.; Inter-Mountain Consumer Services, Inc., Denver, Colo.; Harold G. Brightman, Bamberger Department Store, Newark, N. J.; Consumers' Union, New York, N. Y.; T. V. Hauser, vice president in charge of merchandising, Sears Roebuck, Chicago; Consumers' Research, Inc., Washington, N. J.; C. J. Huber, U. S. Testing Company, Inc., Hoboken, N. J.

Those who have been invited to attend the first meeting of the governmental and institutional purchasing agents advisory panel are as follows:

Theodore M. Johnson, supervisor of purchases, New York University; Walter N. Kirkman, director, Department of Budgets and Procurement, State of Maryland; Joseph W. Nicholson, purchasing agent, City of Milwaukee, Milton R. Maddux, purchasing agent, County of Hamilton, Ohio; Russell Forbes, purchasing agent, City of New York; and Mr. Abbott, purchasing agent, Purdue University.

2,130 defense homes completed in week; 1,025 put under construction contract

Considerable progress was reflected in the Defense Housing Program for the week ending August 9, C. F. Palmer, Coordinator of Defense Housing, announced. Over 2,000 homes were completed, 1,025 placed under construction contract, and approximately 7,000 started by private builders under FHA inspection.

Of the 2,130 homes reported completed for the week, 150 are located at East Alton, Ill.; 150 at Quonset Point, R. I.; 200 at Warren, Ohio; 150 at Birmingham, Ala.; and 121 at Orange, Tex. All of these homes were built by the United States Housing Authority for civilian workers.

The Public Buildings Administration reports 150 homes completed at River-

side, Calif., and 101 at Tampa, Fla., for enlisted personnel.

At Long Beach, Calif., 600 homes were placed under construction contract by the Navy for civilian workers. The Federal Works Agency contracted for 250 homes at Pittsburgh, Pa., and 100 at Benicia, Calif.

Of the 561 dormitory units made available for immediate occupancy under the temporary shelter program, 378 are located in Hartford, Conn., and 183 in Baltimore, Md. These rooms are for single, industrial workers.

As of August 9, approximately 110,000 homes had been allocated out of public funds for defense workers and enlisted personnel. More than 79,000 of these homes have been placed under construction contract, and over 28,000 completed.

STATUS OF PUBLIC DEFENSE HOUSING CONSTRUCTION, AUG. 9, 1941

	Funds allocated		Contracts awarded		Completed	
	Aug. 9	Aug. 2	Aug. 9	Aug. 2	Aug. 9	Aug. 2
Number of States and Territories.....	49	49	47	47	34	83
Number of localities.....	171	171	154	153	85	83
Number of projects.....	420	420	281	278	118	112
Number of family dwelling units (regular).....	109,688	109,688	79,490	78,465	28,084	28,984
Civilian industrial workers in private defense industry.....	49,515	49,515	29,948	29,523	6,217	5,155
Civilian industrial workers in Government plants.....	19,201	19,201	15,597	14,997	4,133	4,133
Other civilians, employed by the Army and Navy.....	10,642	10,642	8,804	8,804	3,660	3,191
Married enlisted personnel.....	30,330	30,330	25,141	25,141	14,074	13,475
Number of family dwelling units (trailers).....	4,154	4,154	3,634	3,634	1,675	1,675
Civilian industrial workers in private defense industry.....	3,534	3,534	3,234	3,234	1,675	1,675
Civilian industrial workers in Government plants.....	620	620	400	400		
Number of units for single persons.....	9,591	9,591	7,124	7,124	4,231	3,670

NUMBER OF NEW HOMES STARTED UNDER FHA INSPECTION

Jan. 1, 1941, through Aug. 9, 1941.....	131,595
Week ended Aug. 9, 1941.....	6,594

CIVILIAN DEFENSE . . .

OCD announces project to train 100,000 volunteer nurses' aides in next 12 months

Training of 100,000 volunteer nurses' aides within the next 12 months, in collaboration with the American National Red Cross and the major hospitals of the country was announced August 17 by OCD Director LaGuardia.

The program is preparatory to a great expansion in hospital beds which may be required during the national emergency at a time when the already overburdened nursing facilities of civilian hospitals are seriously impaired, due to the demands of the military and naval establishments and the increasing needs of public health and industrial hygiene services.

Through the training of large numbers of paid subsidiary hospital workers by NYA, WPA, and other agencies, the increasing deficiency in hospital personnel now is being met in part.

Augments professional nursing services

The training program for volunteer nurses' aides is designed to expand the effectiveness of trained nurses in hospitals, clinics and field nursing services by supplying qualified assistants who can work under their direction. The curriculum of instruction has been prepared by the Medical Division of the Office of Civilian Defense, the American National Red Cross, and the Federal Security Agency. Eligibility is limited to women between the ages of 18 and 50 who have had a high school education or its equivalent, and who are physically fit.

What the course covers

The course will require 80 hours of intensive instruction over a period of 7 weeks. The first half of the course will be given in the local Red Cross chapters in collaboration with local hospitals and nursing organizations. This will constitute a probationary period and will require 2 hours of instruction daily on 5 days a week for 4 weeks.

The remainder of the course will consist of supervised practice in a hospital designated by the Office of Civilian Defense and the Red Cross as a training center. The American National Red Cross will assist the hospital in providing competent instructors and nursing supervisors.

Those who complete the course will be enrolled in the Volunteer Nurses' Aide Corps of the American National

Red Cross with assurance that they will be given important duties in civilian defense. They will retain their membership in the corps only as long as they continue to render adequate volunteer service during the national emergency. This is defined as 150 hours of volunteer service in a hospital, clinic, or field nursing organization in at least one 3-month period in each calendar year.

The Office of Civilian Defense and the American National Red Cross will provide for this continuing volunteer service by arrangement with local hospitals and field nursing agencies. The Red Cross will maintain a placement bureau to allocate volunteer nurses' aides to the following types of nursing services: hospitals and clinics, visiting nurses, health departments, school health services, and industrial clinics.

Many opportunities for service

By serving as assistants to qualified nurses, the volunteer nurses' aides will

New Mexico to stage blackout on Sept. 12; will serve as State-wide test for Nation

Mayor F. H. LaGuardia, Director of the Office of Civilian Defense, on August 17 designated Col. William W. Sterling, representative of the commanding general of the Eighth Corps Area, to act as his representative during the State-wide black-out in New Mexico on September 12, under the auspices of the New Mexico State Council of Defense.

The black-out in New Mexico will be the first test of this kind on a State-wide basis in the Nation. Conclusions drawn by observers for the Office of Civilian Defense will be studied carefully and the results will be made available to each of the other States in the Union.

To focus attention

The purpose of the black-out is to test plans, to focus public attention on the civilian defense program, and to establish a basis for training and coordination of public and volunteer defense workers.

Direction of the black-out will be under the State military department, in cooperation with State and local defense councils.

Twelve of the larger cities in the State will be "bombed." As the demonstration progresses the Volunteer Air Raid Spotters and Air Raid Wardens will swing into action. The auxiliary police and fire services will be mobilized to cooperate with the regularly established police and fire departments. Volunteer ambulances, nurses, nurses' aides, etc., will be mobilized. State police and the auxiliary police will cooperate to stop all automobile traffic and to require motorists to

extinguish headlights for the duration of the black-out.

Border State chosen purposely

Significance of the demonstration in New Mexico lies in the fact that it is a border State, with considerable areas of sparse population and potentially the section through which "an invasion" of the United States conceivably might be initiated.

OCD cooperating

The Office of Civilian Defense in Washington, through its regional director, R. E. Smith, of the Eighth Civilian Defense Area in San Antonio, is cooperating with the New Mexico State Council of Defense in perfecting the demonstration.

The State defense council, collaborating with the local defense councils and the State guard has mobilized all village, township, city, and county officials; the Red Cross; the American Legion; police and fire departments; Rotary, Kiwanis, and Lions Clubs, and other service organizations; the Boy Scouts; and representatives of women's organizations for the demonstration. Besides serving as a test for the Nation it is expected that the State-wide black-out will provide the basis for the permanent defense machinery in the State.

Plans for the black-out have been worked out in minute detail and have the approval of Director LaGuardia, and the Military, Naval and Social Security representatives on the Board for Civilian Protection of the Office of Civilian Defense.

continue their training. In event of sudden emergencies they then will be available immediately for reassignment to hospital or field duty by the Office of Civilian Defense. There will be opportunity for a number to serve as members of the Mobile Medical Field Units now being organized in hospitals along both seaboards and in industrial centers in the interior, according to plans announced recently by the OCD.

Volunteer nurses' aides will wear the uniform and insignia of the Office of Civilian Defense. The insignia for nurses' aides will be a red cross within the triangle and circle of the Office of Civilian Defense, indicating that the aide was enrolled and trained by the Red Cross in civilian defense.

Applicants may enroll at the Red Cross Chapter Houses and the courses will begin in each locality as hospital arrangements are completed.

• The program was devised by the Medical Advisory Board of the Office of Civilian Defense which comprises:

Dr. George Baehr, medical director, United States Public Health Service, chief medical officer of the OCD; Dr. Robin C. Buerki, Madison, Wis., past president, American Hospital Association; Dr. Elliott C. Cutler, Boston, Mass., professor of surgery at Harvard Medical School; Dr. Oliver Kiel, Wichita Falls, Tex., Texas State Board of Medical Examiners; Dr. Albert McCown, Washington, D. C., assistant medical director, American Red Cross; Dr. Fred W. Rankin, Lexington, Ky., president-elect of the American Medical Association.

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McKenna heads Paper, Pulp, Printing and Publishing Branch

Appointment of Norbert A. McKenna of New York City as chief of the Paper, Pulp, Printing, and Publishing Branch of the Office Production Management was announced August 15 by W. L. Batt, Sr., Deputy Director of the Production Division.

Mr. McKenna has resigned as vice president of the United States Plywood Corporation, in charge of its moulded plastic plywood division. Prior to his connection with that company he was a partner in the banking firm of Eastman, Dillon and Company from 1936 to 1940 and president of American Airports Corporation.

INTER-AMERICAN AFFAIRS . . .

1,600-page guide to give complete tourist information on American republics

Nelson A. Rockefeller, Coordinator of Inter-American Affairs, announced August 17 that a two-volume tourist guide to the other American Republics is being prepared under the sponsorship of the Coordinator's Office.

The guidebook, designed to serve and stimulate the growing tourist trade among the nations of the Western Hemisphere, is being edited by Earl Parker Hanson, biographer and author of several books on Latin America. The publication of the guidebook was initiated in the Coordinator's committee on publications, headed by Munroe Wheeler and John Peale Bishop.

To contain full information

In addition to giving full information on such matters as travel opportunities, regional attractions, transportation facilities and local accommodations, the guidebook will stress culture, history, art, architecture, and archeology. In order to foster among travelers an appreciation of the cultural achievements of the nations of Central and South America and the Caribbean area.

Each volume of the guidebook will consist of approximately 800 pages and 350,000 words, illustrated with photographs, maps and statistical information. Volume I, which will be issued first, will deal with the following countries: Argen-

tina, Brazil, Chile, Peru, Bolivia, Ecuador, Paraguay, and Uruguay. Volume II will cover Mexico, El Salvador, Nicaragua, Haiti, Dominican Republic, Honduras, Panama and the Canal Zone, Cuba, Guatemala, Costa Rica, Venezuela, and Colombia. It is planned that both volumes be published by the spring or early summer of next year.

Advisory council helping

An advisory council is helping in preparation of the guidebook. This council consists of Dr. Leo S. Rowe, director of the Pan American Union; Francisco Hernandez, chief of the Pan American Union Travel Division; Dr. Lewis Hanke, director of the Hispanic Division of the Library of Congress; Raye Platt, director of Hispanic studies of the American Geographical Society of New York; Philip Ainsworth Means, author and archeologist, and Dr. Waldo G. Leland, director of the American Council of Learned Societies, and the members of the committee on publications.

Commenting on the guidebook, Mr. Rockefeller said:

"In the truest sense of the word, this is a cooperative effort. The consulates of all the other American Republics have been consulted and are cooperating wholeheartedly. The entire travel trade has likewise been most helpful."

Rockefeller announces changes in press section

Changes in the staff of the press section of the Coordinator's Office were announced August 16 by Nelson A. Rockefeller, Coordinator of Inter-American Affairs.

Francis A. Jamieson, formerly with the Associated Press, has been named chairman of the press section, which is concerned with news work in the other American Republics. Mr. Jamieson will continue as director of the Division of Information. Harry W. Frantz, on leave of absence from the United Press Associations, has been named director of the press section.

Duncan Aikman, on leave of absence from the newspaper PM, has been named

special adviser in the press section. Karl Bickel, former president of the United Press, has resigned as chairman of the press section, but will remain as special adviser to the Coordinator.

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TEXTS OF ALL ORDERS AVAILABLE WEEKLY

Requests are being received for the weekly SUPPLEMENT, which prints the texts of all official orders issued by defense agencies under the Office for Emergency Management. The SUPPLEMENT will be mailed free of charge to any paid subscriber of DEFENSE who addresses the Distribution Section, Division of Information, OEM, Washington, D. C.

Committee formed to advise OPM on non-metallic minerals

E. R. Stettinius, Jr. announced August 15 the creation of a special technical committee to advise the Office of Production Management on nonmetallic minerals.

The new group is a special subcommittee of the advisory committee on metals and minerals which was appointed by the National Academy of Sciences. Clyde E. Williams, director of the Battelle Memorial Institute, Columbus, Ohio, is chairman of the general advisory committee on metals and minerals.

Members of other special subgroups of the advisory committee—ferrous minerals and ferroalloys, metals, conservation and substitution, and tin smelting and reclamation—have already been appointed.

The newly announced nonmetallic minerals group, staffed by some of the country's outstanding specialists in this field, has the following membership:

R. P. Heuer (chairman), General Refractories Co., 1600 Real Estate Trust Building, Philadelphia; Paul Tyler (secretary), United States Bureau of Mines, Washington, D. C.; L. E. Barringer, General Electric Co., Schenectady, N. Y.; B. C. Burgess, United Feldspar & Minerals Corporation, Spruce Pine, N. C.; W. S. Landis, American Cyanamid Co., 30 Rockefeller Plaza, New York, N. Y.; G. R. Mansfield, U. S. Geological Survey, Washington, D. C.; Robert B. Sosman, U. S. Steel Corporation, Kearny, N. J.

John D. Sullivan, Battelle Memorial Institute, Columbus, Ohio; Frank J. Tone, Carborundum Co., Niagara Falls, N. Y.; William M. Weigel, Missouri Pacific Railroad Co., Missouri Pacific Building, St. Louis, Mo.; M. M. Leighton, State

Legislation sought for voluntary physical rehabilitation of 40 percent found unfit

A Government-financed voluntary physical rehabilitation program for selectees rejected for Army service has been recommended by the Commission on Physical Rehabilitation, and steps are now being taken through appropriate channels to obtain necessary legislation, Federal Security Administrator McNutt announced August 15.

The seven-member commission was appointed by Mr. McNutt to make a study after medical examinations under the Selective Service Act indicated that more than 40 percent of examined men are being classified as unfit for general military services.

The commission reported to Mr. McNutt that it had been informed authoritatively that the Army would maintain its present high physical standards of eligibility and would not undertake a rehabilitation program.

Proportion rejected alarming

In approving the report of the commission, the administrator said the proportion of registrants rejected because of physical defects was rather alarming in view of the extraordinary demand which the over-all defense program is making upon manpower.

"While this program is directed primarily toward making more men available for military service," Mr. McNutt said, "it has far greater implications on

the future public health of the country, particularly in relation to the opportunities for the replacement of these registrants into civilian pursuits after the emergency is over."

Alternative is lower standards

"In the opinion of the Commission," the report stated, "the alternative to such a voluntary program is lower physical standards of eligibility for selective service and compulsory physical rehabilitation after induction into the Army. Action is required along the lines of one or the other of these alternatives for the present standards of physical eligibility have reduced the Nation's reservoir of eligible registrants to a number far lower than had been anticipated."

The Rehabilitation Commission is composed of Dr. George Baehr, chairman, clinical professor of medicine, Columbia University, New York City; Dr. Arthur W. Allen, chief, East Surgical Service, Massachusetts General Hospital, Boston; Dr. Frederic A. Besley, professor of surgery, Northwestern University of Medical School, Waukegan, Ill.; Dr. Channing Frothingham, chief of medical service, Faulkner Hospital, Boston; Dr. Harry S. Gradle, chief of staff, Illinois Eye and Ear Infirmary, Chicago; Dr. John J. O'Rourke, dean, Dental School, Louisville, Ky.; and Dr. M. T. MacEarchern, associate director, American College of Surgeons, Chicago.

Geological Survey Division, University of Illinois Campus, Urban, Ill.; G. A. Bole, Orton Ceramic Foundation, 1445 Summit St., Columbus, Ohio; R. B. Wittenberg, International Agriculture Corporation, 61 Broadway, New York, N. Y.; Oliver C.

Ralston, U. S. Bureau of Mines, College Park, Md.

The new group is now preparing reports for the Office of Production Management on graphite, mica, asbestos and other strategic minerals.

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DEFENSE



OFFICIAL WEEKLY BULLETIN OF DEFENSE AGENCIES IN THE OFFICE FOR EMERGENCY MANAGEMENT

WASHINGTON, D. C.

AUGUST 26, 1941

VOLUME 2, NUMBER 34

DEFENSE PROGRESS

MANPOWER

United States Army, Aug. 21----	1,572,000
Navy and Marine Corps, Aug 1----	340,931
Nonagricultural workers, June----	38,790,000
Percent increase since July 1940	9.5
Sixteen defense industries, June	2,440,500
Percent increase since June 1940	47.6

FINANCE

June 1940-Aug. 9, 1941 (Preliminary)

Authorized program-----	\$48,087,000,000
Army-----	20,352,000,000
Navy-----	15,058,000,000
Other agencies-----	12,677,000,000

PRODUCTION

July 1940-August 16, 1941

Paid on contracts-----	\$6,850,000,000
Military aircraft in July----	1,460
Combat vessels in July-----	20
Merchant ships in July-----	8

Week ended August 16

Significant defense strikes	9	Strikes Workers	31,000
in progress during week--	9		6,150
Number settled-----	4		

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AGRICULTURE

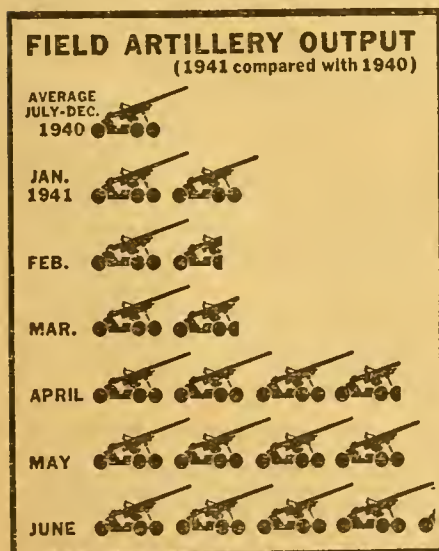
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Review of the Week in Defense

Americans, who have far more automobiles than any other people in the world, are going to have to make old models last longer. The raw materials are needed for planes, tanks, and guns.

A cut of 26½ percent in passenger car production through November was ordered jointly by OPM and OPACS. A reduction of 50 percent in the year's output of 1942 models, compared with the 1941 record of 4,297,000, was forecast.

Production of motor trucks, which are needed for defense, will be stepped up, however, by means of a priority advantage in obtaining scarce metals. The year's increase is estimated at 200,000.

Seek to cushion labor shock

So that the inevitable shock of unemployment would be eased, the OPM Labor Division tackled the problem jointly with industry and labor representatives. The United Auto Workers, CIO, proposed a 7-point plan, accepted by the management, for rehiring and retraining furloughed auto workers.

AFL and CIO textile union leaders also met during the week and presented to OPM a 4-point program for relieving labor dismissals due to the silk shortage.

The OPM Council earlier took drastic action to ease unemployment expected to result shortly from the closing of non-defense factories unable to obtain scarce materials.

Contract Service elevated

The Defense Contract Service was reorganized as an independent bureau and a new drive to spread defense orders by subcontracting was ordered. Army and Navy purchasing policies were revised. Bidders on contracts of more than \$50,000 henceforth must submit detailed plans for subcontracting the work.

A country-wide canvass of strategic materials was started meanwhile by the Census Bureau as an agent for OPM and OPACS. The first of 65,000 questionnaires were sent manufacturers who use defense metals.

Greater aluminum production through

the use of low-grade bauxite ores mined in Arkansas was proposed by OPM to the War Department. The plan would add 600,000,000 pounds of alumina, the basis of aluminum, to the annual output.

Tank unit loaned

The OPM tank unit was loaned to War Department Ordnance in a move to expedite tank production, which is due to reach a billion dollars a year in 1942.

Because the shortage of metals will mean fewer refrigerators, washing machines, and other consumer goods, the OPACS Consumer Division met with two new advisory panels to consider means of protecting consumer interests.

By placing a ceiling on rayon grey goods and broadening a cotton grey goods schedule, OPACS slashed prices 10 percent on most primary textiles used in women's dresses, men's shirts, underwear, coat and suit linings, handkerchiefs, and sheets.

Ceiling on formaldehyde

Price schedules also were applied to copper scrap, Pennsylvania grade crude oils, and formaldehyde.

OPACS gave the highest civilian priority rating to nickel, steel, aluminum, copper, chromium, and other scarce metals for use in the manufacture of replacement tubes and condensers for America's 50,000,000 radio receivers. Maintenance of radio reception, OPACS explained, is essential to civilian morale.

A priority plan for expediting the manufacture of farm equipment and the maintenance of existing machines was adopted by OPM. Three chemicals used in making explosives and chemicals were put under priority control, and restrictions were placed on the processing of cotton linters, which go into smokeless powder, plastics, and acetate rayons. Certain refrigerants were brought under priority control to assure proper functioning of hospitals and food preservation units. A priority rating plan was adopted to assure a flow of health supplies into civilian channels.

President Roosevelt approved the con-

struction of 1,757 additional defense houses and a 100-unit trailer project upon recommendation of C. F. Palmer, Defense Housing Coordinator. He authorized expenditure of \$100,000 to employ fee technicians to advise home owners how they may alter their houses to provide additional rental rooms for defense workers.

The OPM Purchases Division conferred with representatives of the furniture industry in a move to place defense orders and conserve materials through simplification of furniture styles.

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OEM TO PRESENT RADIO LABOR DAY PROGRAM

President Roosevelt is scheduled to speak from Hyde Park on the Office for Emergency Management's full-hour Labor Day program, 12 to 1 p. m., EST, over the NBC Red and Blue Networks.

OEM's *Salute to Labor* will include greetings to American workers by Ernest Bevin, English Minister of Labor. Mr. Bevin will speak from England where he will be introduced by America's Ambassador, John G. Winant. Associate Director General Hillman, OPM, will speak from New York. He will be introduced by NBC commentator Lowell Thomas. James Carey, secretary of the Congress of Industrial Organizations, and William Green, president of the American Federation of Labor, will speak.

Melvyn Douglas, screen actor representing Actors' Equity, as Hollywood master of ceremonies, will introduce James Cagney, board member of the Screen Actors' Guild, and Edward Arnold, president of the Guild, who are to appear in an original drama.

MATS OF CHARTS

One-column mats of the pictorial statistics appearing each week on the cover of DEFENSE are available to newspapers and other publications on request to the Distribution Section, Information Division, Office for Emergency Management, Washington, D. C.

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U. S. could out-produce anybody, but we haven't got the spirit yet, says Knudsen

Excerpts from OPM Director General Knudsen's August 20 press conference:

Q. Anything you can tell us about your conference with Lord Beaverbrook?

A. Yes, we had a very interesting 2-hour session yesterday with him explaining to us how England had gotten on a war basis. He told us some very interesting things about the spread of war work; that they have no civilian problem; that there isn't any; it is all on a war basis, the entire country. He told us about the men averaging 64 hours a week and he estimated that between 6 and 7 million were employed entirely on war work, and a great many women operating in the war industries, and they are practically on an all-out basis.

148,000 working on air frames

Q. How many men do we have on war work, Mr. Knudsen?

A. I don't know that I can estimate that. I have been thinking about that ever since. I know one thing—in the aircraft industry we have around—wait a minute, I will get a sheet. I will try and get it. I have got the aircraft here. The last figure we had 148,000 on airframes and 35,000 on motors, and about 8,000 on propellers.

Q. How many will you have at peak?

A. About 300,000 on frames and I imagine about 60,000 on motors.

Q. Do you think a 64-hour week is necessary here in defense plants, Mr. Knudsen? How would you express that?

A. I don't think we are in a position yet to say. Machine tool shortages exist. I don't think we can handle everything as yet. As the emergency develops, we might have to.

England needs steel and tools

Q. What was it he asked for—anything specific you can tell us?

A. Steel and tools and things like that; tool steel.

Q. How about finished products like tanks? Did he ask for tanks?

A. Well, we have some British tanks on order.

Q. Are those orders being filled now?

A. Yes.

Q. Any medium tanks?

A. Yes.

Q. Mr. Knudsen, in a speech in the Senate yesterday, Senator Byrd made a number of charges about defense production and called the picture very sad—do you have those figures?

A. No.

Q. Could you discuss it in general terms, Mr. Knudsen, as to whether production is up to what it should be?

A. Well, I told you before that the production would never be up to what I think it should be, but that we are gaining—that is a fact.

Q. One time you said we were a third behind.

A. That was last December. We were a third behind then. That is on the basis of estimates made at that time.

Q. Are we now, sir?

A. I don't think we are that far behind; no.

Q. We are not a third behind?

A. No.

Q. We are still behind?

A. Yes.

Q. What is the reason for that? Couldn't you discuss that?

A. It takes so long to make a thing we are just beginning to learn how. That is all. There weren't any of these things being made before we started last year. You gentlemen know we got the money in September and that is when we started. I have shown you my chart and shown you the number of plants projected and erected in the meantime, and the stuff is beginning to come out of it.

Proportion of fighter planes increases

Q. Mr. Knudsen, can you tell us whether the proportion of fighter planes to trainer planes has increased—all categories of fighter planes to trainer planes increased last month?

A. The fighter planes have gone up and will go up still more next month.

Q. Did you see the Washington Post this morning? It says that there is not enough equipment for the Army for the proper training for the maneuvers.

A. Well, I didn't see it.

Q. Is that correct? I just wondered.

A. I don't doubt it if they said so. They ought to know what they are talking about. We put a million men into the service—isn't it about a million and a quarter or a half, in about 9 months. Now, if you remember last year when we started our program, it was sufficient for a total equipment of a million, 200,000, and heavy equipment for 800,000 more—that was before we got the supplementary appropriation and the Lend-Lease Bill, and that was supposed to be done on June 30, 1942. That is the record, isn't it?

Q. So really there is something to that. There is not enough equipment for the Army.

Enough for present Army in 6 months

A. You take some of the equipment, some of the guns—you remember the tanks we started right from a piece of paper—we had nothing to back it up and it took us about 60 days to get the drawings, then experience on the battlefield changed the drawings we had up to that time.

Q. Would you say, Mr. Knudsen, that our defense program is coming along at a rate through which we will have enough equipment for our Army as it stands now within 6 months?

A. Yes, I think so.

We don't have the spirit yet

Q. Mr. Knudsen, do you have an idea about how this race between the British and the United States on one side, and Germany on the other is turning out—which way the war is going to end?

A. Sure, in favor of our side.

Q. You think we are coming out on top?

A. I think so. I think we will all get the spirit and go after—in this job I don't see anybody out-producing the United States. I don't know of anybody and that is the way I feel about it. I have seen the other places. I know what they can do and I know they can do good.

Q. Do we have the spirit?

A. I don't think we have got it. I think a good many of us have, but we haven't all of us got it. Now I base that on having been around within a short time. I have been all around and we haven't quite waked up, but when we get there we can go.

Q. What is the reason we don't have that?

A. Nobody has dropped any bombs on us yet—you drop one down on Main Street and you will see what will happen.

New subcontracting plan

Q. Mr. Knudsen, would you make any comment on the changes in the Defense Contract Service announcement which went out this morning? Are primary contractors, in all new orders, going to be required to allocate a certain amount of—

A. They are going to be asked to state whether they figure they can subcontract. They are going to be asked to state what percentage they figure they can subcontract.

Q. What is the objective of asking them to state that—what do you do?

A. We try from our experience with other firms in the same line to see whether there is a way to get them to increase that ratio, see? Say we have two contractors making a 9-cylinder engine. If one has got 20 percent and the other has 40 percent, we will go to the fellow with 20 and say, will you give us 35.

PRODUCTION . . .

Four-month passenger-car output cut 26½ percent under same period of 1940

Passenger-car production will be curtailed 26½ percent during August, September, October, and November, and progressively more in subsequent months, with the expectancy of a 50 percent curtailment for the model year ending July 31, 1942, the Office of Production Management and the Office of Price Administration and Civilian Supply announced August 21.

On the other hand, a substantial increase must be made in the output of motortrucks in order to meet vital transportation and military needs.

Production quotas, putting into effect the passenger-car curtailment which is necessary in order to conserve scarce materials for defense, were disclosed at a meeting of the automotive defense industry advisory committee and representatives of labor unions in the automotive industry with Director General Knudsen and Associate Director General Hillman of OPM, and OPACS Administrator Henderson.

Preference prepared for truck makers

At the same time the Priorities Division of OPM announced it is preparing a blanket preference rating order to aid truck manufacturers in obtaining scarce materials quickly.

The order extends a preference rating of A-3—the same rating granted previously for freight cars—to deliveries of critical materials required for heavy motortrucks, medium motortrucks, truck trailers, public passenger buses, and replacement parts for trucks and buses of similar types.

This priorities assistance applies to trucks with a carrying capacity of 1½ tons or more.

During August, September, October, and November only 817,000 passenger cars will be produced, compared with 1,113,000 during the same period last year and 1,560,000 during the 4 months ended July 31, 1941.

Smaller cut for small companies

The reduction in passenger-car production during the current 4 months will average 26½ percent for the industry as a whole, compared with the corresponding months last year. The larger companies, General Motors, Chrysler, and Ford, will make an average 27.6-percent

reduction while Studebaker, Hudson, Nash, Packard, Willys-Overland, and Crosley, will average a 20.2 percent cut.

The priorities assistance being granted to truck manufacturers is based upon indications that 1,189,000 trucks, approximately 200,000 more than the output during the model year ended July 31, will be required during the new model year that began August 1.

This estimate of truck requirements includes vehicles for the United States Army and Navy, for the Lease-lend program, for export to Russia, and for vital transportation needs shown in a study by the Central Motor Transport Committee.

The Central Motor Transport Committee, headed by Commissioner John

L. Rogers, of the Interstate Commerce Commission, and including Transportation Commissioner Ralph Budd, Public Roads Commissioner Thomas H. MacDonald and representatives of the Agriculture Department, considers motor transport vital for the movement of defense materials and supplies for the civilian population.

Plan to head off unemployment

In order to head off in every way possible unemployment resulting from the curtailment of passenger car production, a joint committee of the industry and labor is being formed by Associate Director General Hillman to carry out the following program:

1. Orderly transfer of workers to defense plants now being built by the automobile industry. This includes a training plan to prepare workers for defense jobs.

2. With the aid of the employment services of Michigan and other affected States, an orderly transfer of workers to other defense industries. This will be along the lines that have been followed successfully in the temporary shutdown of General Motors' North Tcnawanda plant, near Buffalo, N. Y., where 3,600 workers were displaced temporarily.

3. Fitting of additional defense work into equipment now devoted to passenger car production. For 2 weeks OPM has had a special group of engineers working with the armed services and the automobile industry to accomplish this objective. Meetings have been held in Detroit, Cleveland, and Chicago, and next week the same plan will be extended to parts manufacturers supplying the industry. Additional defense contracts and subcontracts are resulting.

The three-point program, combined with the heavy demand for trucks, is expected to minimize the effect of the passenger car curtailment on the industry and its employees.

Other industries to be cut quickly

Similar curtailment of other durable goods industries will be carried out as quickly as possible in order to distribute equitably the materials remaining after defense needs are met.

Officials of OPM and OPACS agree that excessive advance buying of materials must be corrected by allotting the actual output of critical materials

PRODUCTION QUOTAS

Passenger car production quotas announced August 21 by the Office of Production Management and the Office of Price Administration and Civilian Supply, compared with production in the same period of last year:

Company	4 months ending Nov. 30, 1941	4 months ending Nov. 30, 1940
General Motors.....	361,815	511,700
Chrysler.....	158,849	275,600
Ford.....	151,845	182,800
Total for large companies.....	702,509	970,100
Studebaker.....	35,259	46,160
Hudson.....	25,874	41,900
Nash.....	21,972	20,942
Packard.....	23,056	25,710
Willys-Overland.....	7,765	8,364
Crosley.....	333	185
Total for smaller companies.....	114,292	143,261
Total for all companies.....	816,801	1,113,361

The increase shown for Nash over the corresponding period of 1940 resulted from the fact that Nash had an unusually low output during the 4-month period last year.

Production during the last three model years was used as the base in calculating these reductions.

to various industries, and this will be undertaken as quickly as possible.

However, even after the situation resulting from excessive forward buying of defense materials has been corrected, defense production will actually require increased amounts of materials.

The passenger car curtailment for the first 4 months of the model year was decided upon to make certain that sufficient materials are conserved for defense. On September 15 the quota for December will be announced and it is planned that on the fifteenth of each month thereafter the quota for an additional month will be disclosed.

Repair work to be increased

During the model year just ended 4,297,000 passenger cars were produced.

Dealer organizations are assured increased repair and maintenance work because existing cars will be kept in service longer than usual.

The automotive industry already has altered designs materially, and has agreed to alter them further, to make savings of critical materials without sacrificing wearing and driving qualities and safety factors.

Elimination of critical materials in trim and other nonfunctional parts is expected to reduce the amount of critical materials required to produce 2,000,000 passenger cars to the following amounts:

Steel and Iron—Carbon steel, 2,350,480 tons; alloy steel, 301,670 tons; gray iron, 496,510 tons; malleable iron, 115,920 tons. Secondary aluminum—500 tons. Nickel—300 tons. Zinc—25,000 tons. Chromium—2,600 tons. Copper—40,000 tons. Lead—31,000 tons. Tin—2,600 tons.

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Program outlined to help furniture makers fit into defense

A program to help the furniture manufacturing industry meet its responsibilities under the defense program was outlined before a meeting of furniture manufacturers' representatives August 22 by J. M. Brower, chief of the furniture section, Division of Purchases, OPM.

In general, the program aims at facilitating the placing of defense orders with furniture manufacturers and the conserving of materials through simplification of furniture lines and styles.

Subcommittees were appointed by Mr. Brower to make recommendations.

Census Bureau to survey industry for OPM to find whereabouts of strategic metals

American industry is being asked to cooperate with defense agencies of the Federal Government in a broad campaign to establish the quantities and whereabouts of strategic metals vitally needed for national defense.

The Bureau of the Census, acting as agent for the Office of Production Management and the Office of Price Administration and Civilian Supply, has put into the mails the first of 65,000 questionnaires, addressed to the manufacturing users of defense metals. The scarcity of these metals has already been recognized in the General Metals Order No. 1, issued by the Priorities Division on May 1, 1941. This order was designed to promote equitable distribution by restricting inventories by reasonable levels.

Those receiving the questionnaires, which are in simple form, will be asked to use them to report the quantities on hand and the uses made, during August, of:

Antimony, cadmium, chromium, cobalt, copper, ferro-alloys, iridium, lead, manganese or spiegeleisen, mercury, molybdenum, nonferrous alloys, tin, vanadium, tungsten, zinc, and scrap metal containing any of these.

The completed forms are to be returned promptly to Washington, where they will be tabulated on punch-card machines by the Bureau of the Census, and also used directly for administrative check-ups by the Priorities Division. By this method, not only the disposition and quantities but also the end uses of existing stocks of essential metals will be established. The questionnaire was prepared by a joint committee of the OPM, the OPACS, the Bureau of Mines, and the Bureau of the Census. Representatives of various trade groups concerned were consulted on preparation of the form.

Wholesalers may get queries, too

When the information elicited by the questionnaire is combined with the figures on imports compiled by the Bureau of Foreign and Domestic Commerce, and the Bureau of Mines' data on the output of mines, smelters, and refineries, an overall picture of the use, stocks, and distribution of 90 percent of the listed metals will be available.

It is expected that another questionnaire will soon be sent out to wholesale dealers in these metals.

8 from parts industry added to auto committee

Completion of the automotive defense industry advisory committee by the appointment of 8 members selected from representatives of manufacturers of parts and components was announced August 19 by the Bureau of Clearance of Defense Industry Advisory Committees.

The enlarged automotive defense industry advisory committee now consists of 19 persons, 11 representatives of the manufacturers of passenger cars, trucks, buses, taxicabs, and firefighting equipment having been announced previously. The parts and components manufacturers added August 19 are as follows:

W. P. Brown, president, Briggs Manufacturing Co., Detroit; C. C. Carlton, vice president, Motor Wheel Corporation, Lansing, Mich.; C. S. Davis, president, Borg Warner Corporation, Chicago; J. D. Eby, vice president, Wagner Electric Corporation, St. Louis; C. E. Hamilton, president, Automotive Gear Works, Inc., Richmond, Ind.; H. R. Kerans, president,

K-D Lamp Co., Cincinnati; Burke Patterson, assistant to president, Thompson Products Co., Cleveland; Willard T. Rockwell, chairman, Timken Detroit Axle Co., Detroit.

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Two ship lines postpone date of freight rate increases

The Matson Navigation Co. and the Isthmian Steamship Co. have voluntarily postponed for 30 days the effective dates of proposed increases in freight rates between the continental United States and Hawaii, Dr. Lloyd Wilson, director of the OPACS Transportation Division, announced August 20.

This postponement will afford opportunity for the consideration of the proposed rates and their effects upon the transportation of goods for national defense and civilian supply.

The rates were originally scheduled to become effective September 1, 1941.

OPM Council acts to spread work as solution for priority unemployment; makes Contract Service separate bureau

The Council of the Office of Production Management took drastic action August 19 to head off in every way possible unemployment resulting from the impact of priorities and the undue concentration of defense orders.

With shortages of materials for non-defense work threatening to close many factories in the near future, the Council approved a sweeping revision of Army and Navy purchasing policies developed in cooperation with the two Services and designed to spread defense orders into such plants wherever practicable.

At the same time it announced establishment of the Defense Contract Service as an independent bureau in the OPM, reporting directly to Director General William S. Knudsen and Associate Director General Sidney Hillman. The new Bureau will be represented in all OPM divisions, and will provide regional advisory services for plant owners, especially for smaller enterprises seeking defense contracts or subcontracts.

Mehornay heads bureau

Robert L. Mehornay heads the Bureau and William E. Levis, a member of OPM's Production Planning Board, will assist him as personal representative of Mr. Knudsen and Mr. Hillman.

The OPM Council, composed of Messrs. Knudsen and Hillman and Secretaries Stimson and Knox, adopted a plan of action approved previously by purchasing officials of the Army and Navy and OPM representatives.

Principal points of the program are:

1. Special treatment designed to spread defense work wherever practicable into communities or industries faced with unemployment because they cannot obtain materials for non-defense production.

2. Changes in general purchasing policies, including a requirement that a statement as to the percentage of work to be "farmed out" under subcontracts shall be placed in every contract over \$50,000.

3. A requirement that a detailed statement as to subcontracting intentions shall be submitted hereafter with contract proposals of \$250,000 or more.

Special attention for communities or industries threatened with "priority unemployment" will be administered along these lines:

The Priorities Branch of OPM's Labor Division will inform the Defense Contract Service of the essential facts in each case. The Defense Contract Service will investigate as to the production possibilities and, wherever practicable, the OPM will recommend to the Secretaries of War and Navy a remedial program that may include one or more of the following:

NEGOTIATED CONTRACTS (instead of contracts let by competitive bidding) at prices up to 15 percent above current quotations.

ORGANIZATION through orders for "a responsible defense association or corporation," so that manufacturers may jointly handle defense work they could not do with their individual equipment.

ELIMINATION OF BONDS for bids or performance, where necessary.

INSPECTION AT PLANTS of the products involved, to facilitate prompt payment.

REIMBURSEMENT of prime contractors for additional costs resulting from extension of such policies to their subcontractors.

The plan provides that, upon receipt of such recommendations from the OPM, the Secretaries of War and Navy shall issue to their purchasing departments "such specific directives as they determine necessary in the interests of national defense to carry out the procedure recommended."

A major step, says Hillman

Associate Director General Hillman characterized the new program as a major step in the OPM's effort to prevent local "depressions in the midst of prosperity." He disclosed that OPM's Labor Division had made surveys of the consumer goods industries which face drastic reduction of output through lack of raw and semifinished materials demanded by the defense program.

In addition to the subcontracting program, Mr. Hillman pointed out, "Machinery has been set up for re-training and re-employing workers displaced from factories which cannot be converted to defense production. In the great majority of industrial areas, the actual number of defense jobs is or soon will be far greater than the number of jobs terminated in nondefense plants as a result of priori-

ties. The Labor Supply Branch of OPM is taking prompt action to move displaced workers into defense plants and where necessary to train them for new responsibilities."

General purchase policies

The general purchase policies agreed on by the OPM Council are as follows:

1. Bid forms, blueprints, and specifications, normally sent to bidders for purchases estimated to exceed \$50,000, will also be sent to appropriate branches of Defense Contract Service. Air mail will be used to the extent practicable and necessary to equalize bidding opportunities.

2. Formal bid openings will not be within less than 15 days from date of call for bids except where the needs of national defense require earlier openings, and awards shall be made promptly.

3. Calls for bids for large quantities to be broken down into optional units to permit smaller concerns to bid for appropriate quantities. Contracting officer shall be empowered to divide an award so that part of it would go to other than the low bidder.

Exhibits to show possibilities

4. Establish more exhibits of specific items broken down into components labeled with description of machine tools and equipment as well as operations required for production. Such exhibits to be placed in centers readily available to manufacturers in addition to those already established.

5. Where regional bidding is requested and production facilities permit, awards will be restricted to regional bidders, unless otherwise approved by the head of the Department.

6. Earlier delivery date proposed by bidder shall be weighted favorably in valuing bids, if such earlier delivery is desirable.

Subcontracting to weight bids

7. Require a statement by the bidder with each proposal in excess of \$50,000, stating the minimum percentage of the total which he will subcontract, on a dollar value basis. This statement to become a part of the final contract. The percentage of subcontracting guaranteed by a bidder shall be weighted favorably in valuing bids.

8. No new machine-tool delivery, nor priority therefor, to be given a contractor, under existing contracts, where a commitment therefor has not been made in the contract, or under new contracts, unless and until the contractor shall satisfy the contracting officer and shall certify that no known qualified subcontract-

ing facilities are available within reasonable distance; except in the case where a limited few tools (to be stated by him) are considered essential by the contracting officers to complete a production or assembly line.

Details of the subcontracting statement to be required with future contract proposals of \$250,000 or more have not yet been worked out. This statement will be designed, however, to give the Government full information as to whether a prospective contractor intends to buy additional machinery to handle the contract, whether he has engaged subcontractors, and whether he needs help in finding additional subcontractors.

To keep other divisions informed

In its new status as a bureau with representation throughout the OPM's various operating divisions, the Defense Contract Service has increased opportunity to inform and advise the other OPM offices and the armed services concerning existing manufacturing facilities and their more effective use. The bureau will also keep manufacturers informed regarding defense program developments affecting their plants and workers.

Organized originally as a unit of the Production Division of OPM, the Service has field offices in thirty-six Federal Reserve Banks and branch banks throughout the country. Additional branch offices are now being established in other cities by various State governments.

Order for separate bureau

The regulation of the Council of OPM establishing the Service as a separate bureau follows:

1. There shall be in the Office of Production Management a bureau called Defense Contract Service, hereinafter referred to as the Service, which shall render decentralized advisory services to all businesses, especially to smaller enterprises seeking defense contracts or subcontracts. The Service shall take all appropriate steps to stimulate subcontracting and utilization of existing facilities on defense production. The Service shall be administered by a Chief, appointed by and responsible to the Director General, acting in association with the Associate Director General. Subject to their supervision, he shall appoint such personnel as he shall deem necessary to carry out the duties assigned to the Service herein, and he shall, from time to time, propose such rules as may be necessary to effectuate the purposes of this regulation.
2. The Chief of the Service shall make regular or special reports, as may be required, to the Director General acting in association with the Associate Director General concerning the personnel and operation of the Defense Contract Service and such other matters as may be designated.
3. The Director General acting in association with the Associate Director General, shall from time to time issue such rules to govern the operations of the Defense Contract Service as he shall deem necessary or desirable.

OPM recommends new alumina facilities to raise production 600,000,000 pounds a year

A further increase of 600,000,000 pounds in the country's annual capacity to produce alumina, the material from which aluminum is derived, was recommended to the War Department August 21 by OPM.

The recommendation would extend the useful reserves of bauxite in Arkansas almost three-fold by bringing into use low grade bauxite ores which heretofore were never considered of commercial value and never used for the production of aluminum in any substantial quantity.

Director General Knudsen, OPM, recommended to Robert P. Patterson, Under Secretary of War, that a plant with capacity to produce 500,000,000 pounds of alumina annually be built in Arkansas and that another plant previously recommended for construction in the same State should have a capacity of 500,000,000 pounds instead of the 400,000,000 first proposed. (Two pounds of alumina are necessary to produce one pound of aluminum metal.)

The exact site of the additional plant has not been selected but the one recommended previously is to be built near Bauxite, Ark., in Saline county.

Both plants would be financed by the Defense Plant Corporation and be Government-owned.

The OPM recommended that the Aluminum Co. of America design, construct, and operate both but that, as to the second plant just initiated, the Government retain ownership of the alumina and sell it to aluminum-making companies that will not have alumina supplies of their own. Establishment of an agency under the Reconstruction Finance Corporation was proposed to buy ores and set prices for the sale of alumina.

Alunite plant recommended

The OPM also recommended to the War Department that the extraction of alumina from alunite be started on a small scale at Marysvale, Utah. This operation would be carried on by Kalunite, Inc., of Salt Lake City, Utah, with a plant having a capacity of 100 tons of ore per day. In addition to treating alunite, the plant would engage in the experimental treatment of aluminous clays, which exist in far greater quantities than any other aluminous materials in this country.

The production of alumina from alunite or clays has never been accomplished

on a commercial scale although pilot plant operations handling about a ton of ore per day have been conducted by Kalunite, Inc., for some time.

Construction of the plants recommended last week would give the country sufficient capacity to produce a total of 2,720,000,000 pounds of alumina annually. This would be within 300,000,000 to 400,000,000 of the total amount now considered necessary to produce 1,400,000,000 pounds of aluminum metal per year and meet alumina requirements of the abrasives and chemical industries. Alumina is extensively used as an abrasive and also is used in the chemical industry for water treatment, filtration, and other purposes.

More expansion plans coming

To meet these total requirements, another recommendation will be made in the near future, either for construction of an additional plant or for additions to existing plants.

The plants proposed in Arkansas will use bauxite available in that region and will have special facilities for washing silica out of the low-grade ore. The ore to be used may contain a maximum of 25 percent silica but will average considerably less than that. Both the contemplated plants will operate principally on low-grade bauxite ores.

Estimates of the Bureau of Mines and other investigators have shown that Arkansas reserves of so-called high-grade ore are in the neighborhood of 8,500,000 tons, while the reserves of low-grade ore like that to be used in the Arkansas plants represents an additional 15,000,000 tons.

Low-grade ores for metal only

Special characteristics of the chemical and abrasive needs for alumina require that they must be met in large part from high-grade bauxite.

In general, therefore, the plan of operations contemplates that high-grade bauxite shall be mined and used for chemicals and abrasives only, and that the low-grade bauxite shall meet needs of new aluminum metal plants.

Bauxite is now being imported from Dutch Guiana at the rate of 1,300,000 tons a year. The program contemplates continuation of this rate of import and an increase in Arkansas bauxite production to an amount somewhat in excess of 2,000,000 tons a year.

LABOR . . .

Hillman orders immediate action for rehiring and retraining auto workers

Associate Director General Hillman, OPM, announced August 23 that he was ordering Washington and field officials of the Labor Division and cooperating agencies to act immediately in carrying out a United Automobile Workers-CIO program, accepted by management, for rehiring and retraining automobile workers. The emergency employment committee of the UAW made the plan public after OPM and OPACS directed that passenger car production be cut 26½ percent.

The union's executive board has created a national committee with full authority to carry out the proposal which was formulated in meetings August 21 and 22 in Washington, one with auto industry spokesmen and a second with the OPM's Labor Division.

Buffalo Plan to be used

Major points in the program:

1. Creation of State and local committees to solve reemployment problems on a regional and community basis.

2. Close cooperation between the UAW committees and the regional labor supply committees of the Labor Division, the full resources of which will be mobilized for quickest possible action.

3. The "Buffalo Plan" for immediate rehiring of workers displaced by the application of priorities, or by conversion of plants from nondefense to defense purposes, will be followed in general. The Buffalo plan calls for prompt registration, reemployment, and retraining, when necessary, of workers in nondefense plants for jobs in defense industries.

Senior men to defense

4. Whenever a plant is engaged in both civilian production and defense production, new employees being hired will be assigned to civilian work, while men with seniority rights will be given first choice on all defense work. In all cases of plant conversion, full protection of seniority rights in the original plant are to be guaranteed.

5. Every effort will be made to obtain and sublet defense orders to aid every locality, whether this be a single auto plant town, or a city with a group of auto plants. Full use will be made in

this respect of the new subcontracting policies approved by the procurement offices of the Army and Navy.

6. Union representatives are to participate at all times, in conjunction with all Government agencies dealing with labor supply and training, in interviewing, classifying, training and placing employees released as a result of curtailment arising from material shortages or for any other reason.

7. Detailed information relating to the labor needs of individual plants and localities will be supplied to all UAW State and local committees by the Labor Division's research, statistical and economic departments.

Employment in the automobile industry in April totalled 532,800 persons, with weekly pay rolls aggregating \$18,536,000.

487,400 MORE WORKERS

than the number employed last May will be needed by October 1 to meet the requirements of 9,305 employers in industries vital to defense, it is indicated in a survey report announced August 20 by Federal Security Administrator Paul V. McNutt.

Mr. McNutt explained that these data were based on expected hirings during the 6-month period ending October 1, as estimated by employers in May. The State Employment Services throughout the country, he said, visit selected defense employers regularly in order to obtain estimates of their labor requirements for the 6 months ahead.

The greatest relative increase in employment, Mr. McNutt said, was expected in the ship and boatbuilding and repairing industry. The 195 such establishments surveyed expected to add 98,000 workers by October 1, an increase of 64 percent over their employment in May. The aircraft industry reported the next largest relative increase; 135 aircraft establishments employing 312,600 workers in May expected to increase their labor forces by 107,600, or 34 percent.

OPM silk group endorses Buffalo Plan

A conference of AFL and CIO textile union leaders proposed to OPM August 20 a four-point program to alleviate the effects of labor dislocation among thousands of employees of the American silk industry who face loss of their jobs because of the shut-down of silk imports.

Meeting as members of the OPM silk labor advisory committee, the union representatives recommended adoption of the "Buffalo Plan," a formula for the training, retraining, and placement of workers applied successfully at the Buffalo General Motors plants which closed temporarily to permit retooling for airplane production. It was the first time that the formula was jointly endorsed by AFL and CIO groups.

The four points

The recommendations, which followed disclosure that hundreds of workers have already been made temporarily jobless and that thousands more lay-offs are expected, were:

1. Application to the silk industry of the Buffalo Plan.

2. Formulation of a national policy providing for the training, retraining, and placement of labor dislocated either by curtailment of silk supplies, shortages of other yarns, or by the closing of plants during retooling periods.

3. Regional conferences of representatives of labor, industry, and Government to discuss the peculiar problems arising from such dislocation in particular areas.

4. A comprehensive study of industry needs aimed at achieving an equitable distribution of substitute yarns, including nylon and rayon, among factories.

Severe unemployment in Pennsylvania

The meeting was told that the unemployment problem among silk workers will be especially severe in the Scranton-Wilkes-Barre, Pa., area and the Paterson, N. J., area. In the Scranton-Wilkes-Barre industries, where a large group of woman silk workers was reported to have boarded two buses for Detroit in search of work, 2,000 have already been made temporarily jobless. In the Paterson area, 2,500 will lose their jobs within the next two weeks, while several thousand others in the dye industries of that section will also be affected.

MEDIATION BOARD . . .

President orders Navy to take over shipyard; Roebling dispute, two others settled

The National Defense Mediation Board last week (August 18-24) announced agreements settling three cases, made interim recommendations in two, and received certification of four additional cases.

Federal Shipbuilding and Drydock Co.

Employer refusal to accept a recommendation of the National Defense Mediation Board led last week to Government seizure of the Federal Shipbuilding and Drydock Co. yard at Kearny, N. J. On Saturday, August 23, President Roosevelt directed the Secretary of the Navy to take possession and operate the company's plant.

The Industrial Union of Marine and Shipbuilding Workers, CIO, voted the following day to return to work immediately, thus ending its strike of 16,000 workers called August 7 because of the company's rejection of the Board's recommendation that all employees who were members of the union or who later joined the union should remain members for the 2-year duration of the contract. The Board made this recommendation July 26 after its mediation efforts had failed to settle the difference between the parties on this issue. A majority of the union membership had voted to instruct its negotiators to ask for a union shop under which every employee of the company would be required to join the union after 30 days' employment. The company had requested that the open shop be maintained. The Board recommended neither. Its recommendation was accepted by the union at a meeting August 3, after being twice rejected.

John A. Roebling Sons Co.

Hearings which have been in almost continuous session since August 1 were concluded August 19 by an agreement settling the dispute between the John A. Roebling Sons Co. and the Steel Workers Organizing Committee. The agreement, which includes the terms of the complete contract covering the two plants of the company at Trenton and Roebling, N. J., was ratified by the union at a meeting of its membership on August 24.

C. G. Williams, executive vice president of the company, stated that the

agreement was the result of extended negotiations which had been concluded with the SWOC, which clearly had the interests of all the employees at heart and had negotiated a good agreement for them. He further said that through the negotiations harmonious relations between the company and the union had been greatly promoted and that the agreement would prove to be of advantage to all the employees.

The terms of the contract were not revealed.

Ohio Brass Co.

During the week the Ohio Brass Co. notified the Board of its objections to the Board's interim recommendations of August 14 for settling the dispute at the company's Barberton, Ohio, plant with the United Electrical, Radio and Machine Workers of America, CIO. The recommendations provided for the return to work without discrimination and without prejudice to seniority of the 600 men who had been on strike since June 10 on the understanding that any wage increase later negotiated would be retroactive to the date upon which operations were resumed. The International Brotherhood of Operative Potters, AFL, had disputed the CIO union's claims to a majority. The recommendations provided for the resumption of negotiations between the company and the proper bargaining agency after disposition by the National Labor Relations Board. Upon receipt of the company's letter the Board wired the company asking it for a yes or no answer to its recommendations.

Erwin Cotton Mills

After 5 days of hearings before the Board, an agreement was reached between the Erwin Cotton Mills and the Textile Workers Union of America, CIO, which included the terms of a complete contract between the parties. The agreement which is subject to ratification by the Union covers 4,500 employees in Durham and Erwin, N. C., plants of the company.

U. S. Gypsum Co.

Hearings on the dispute between the U. S. Gypsum Co. and the United Mine

Workers of America, CIO, opened before the Board August 18. The strike has been in effect in 17 plants of the company, scattered throughout the country, since June 26. Since the company refused to discuss any of the other issues between the parties until the Union's demand for a master contract had been disposed of, the Board made interim recommendations on that subject. The Board recommended that representatives of both sides empowered to negotiate for each of the 17 plants come to Washington and negotiate 17 separate agreements before the Board. The company has not as yet acceded to this interim recommendation.

Rockford Drop Forge Co.

After 3 days of hearings an agreement was reached settling the dispute between the Rockford Drop Forge Co. of Rockford, Ill., and the International Brotherhood of Blacksmiths, Drop Forgers and Helpers of America, and the International Association of Machinists, both AFL. This agreement, terms of which were not announced, was ratified by the union on August 23. A threatened strike of 300 employees, set for August 11, had been postponed at the request of the Board.

Three new cases

Hearings on three new disputes opened the latter part of the week. These were Curtiss-Wright Corporation, Caldwell, N. J.; Solvay Process Co., Baton Rouge, La., and five plants of the Aluminum Co. of America.

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OPM, OPACS call meeting of scrap and mill men

About 150 iron and steel scrap brokers and representatives of steel mills and foundries have been invited to attend a joint meeting called for August 27 by OPACS and OPM to discuss all problems relating to the flow of scrap.

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DENVER PRIORITIES OFFICE

In the August 12 issue of DEFENSE the address of the Denver Priorities field office was given as 17th and Arapahoe St. The correct address of the office is 521 U. S. National Bank Building.

PRIORITIES . . .

New Critical List of 300 items classified by finished products and raw materials

A revised edition of the Priorities Critical List was issued August 18 by E. R. Stettinius, Jr., Director of Priorities.

The Priorities Critical List is a list of items on orders for which Army and Navy contracting officers may automatically assign preference ratings.

The new list, unlike previous editions, is broken down for purposes of clarity into two sections—one for finished products and the other for raw materials.

Those raw materials and other items which have been brought under industry-wide control by the Priorities Division are marked on the list by a (*)

Items which have just been added to the list with this edition are italicized.

About 300 items and classes of items appear on the list. In most cases, except for the items under industry-wide control and those under inventory control, items which appear on the list are subject to priority regulation only in the sense that Army and Navy orders may be assigned preference ratings so that delivery dates may be met.

PRIORITIES CRITICAL LIST

(As revised to August 11, 1941)

Parts and accessories: The items that appear on this list shall be deemed to include all fabricated, mechanical or electrical component parts and accessories necessary for the completion, maintenance, or mechanical operation thereof *including spare parts and extras*, excluding raw materials unless specifically included in the list.

Supervision: It should be carefully noted that all copies of preference rating certificates authenticated by the two services are reviewed by the Priorities Division and erroneous use of this list will result in cancellations of certificates by the Priorities Division.

Allocation: Material which has been subjected to industry-wide control and allocation by the Priorities Division will be governed by specific orders from the Priorities Division which may to some extent modify the effect of preference ratings previously issued.

New Items: *Italicized items on this list are those which appear for the first time with this edition.*

Metals: It will be noted that all metals except a few precious ones are now covered by this list.

Revision: This list is subject to revision once each month. In order to receive consideration at the time of making any monthly revision, requests for additions, subtractions or modifications must be received by the Priorities Committee of the Army and Navy Munitions Board or the Director of Priorities of the Office of Production Management on or before the fifteenth day of the preceding month in order to receive consideration.

Extension: Ratings may only be extended "down" for finished and semi-finished products, not "up" from raw materials on the list. In other words, no extensions can be made from materials named in Section II of the list. For example, since trucks are on

the list the preference rating assigned to trucks may be extended to radiators; but the fact that copper is on the list does not mean that a rating extended to copper may be re-extended to cover copper wash bowls.

I. Finished End Products

(1) Aircraft: all types including lighter-than-air, complete. (2) Aircraft detection equipment. (3) Aircraft laboratory and test equipment. (4) Altimeters: all types. (5) Ambulances: service specification. (6) Ambulance boats. (7) Ammunition (small arm and large caliber): all types. (8) Angle-dozers; tractor powered. (9) Antiaircraft equipment. (10) Auger: earth (power). (11) Autoclaves (laboratory): field and hospital. (12) *Asbestos products, to include only roofing, siding, pipe and pipe covering.*

(13) Bags: barrack; sea; cante; powder; sterilizing water; sleeping. (14) Balloon: observation or barrage. (15) Barges. (16) Barometers. (17) Batteries: radio; ship; fire control. (18) Battery chargers: portable. (19) Belt: ammunition link; cartridge. (20) Binaural trainers. (21) Binoculars; monoculars; spy glasses; field glasses; spotting glasses. (22) Blankets: wool. (23) Boards: deflection; fire adjustment; plotting (all types; range correction; spotting; chart. (24) Boats: aircraft rescue; picket; crane; assault; ambulance; Eagle; landing; motor torpedo; utility (QMC and AC); subchaser; target (armored); motor launch; radio control; lighters; D. B. (distribution box). (25) Boilers: power plant; heating. (26) Bombs. (27) Bombing training and target assembly. (28) Booms. (29) Box: ammunition. (30) Bridges: foot (all types); steel (portable); pontoon (all types). (31) Bulldozers: tractor powered.

(32) Cable, electric and telephone, all kinds including assemblies. (33) Cable, balloon barrage. (34) Calibration sets, bomb sight; optical elements for. (35) Callipers, micrometer. (36) Cameras: aeronautical; gun; triangulation, motion picture and still. (37) Camera control: gun. (38) Candles: chemical. (39) Canisters: service; diaphragm; optical. (40) Caps: field and winter; watch. (41) Carts: hand drawn; reel; chemical mortar; ammunition; weapon. (42) Case: inspectors; navigation; pilots; bombardiers. (43) Catapult: aircraft. (44) Charger: gun (hydraulic). (45) Chest: service types. (46) Cipher devices and machines. (47)

Cloth: rubberized; wool; dark blue melton or kersey; O. D.; flannel; cotton; twill; wind resistant khaki; *netting for mosquito bars.* (48) Clothing: flying; chemical protective; uniforms; hospital; mechanical; laboratory. (49) Combat vehicles. (50) Compressors (air): power driven. (51) Computers: intermediate and major calibers; time and distance; line of position; aerial dead reckoning; time conversion; altitude correction. (52) Cone assembly 6" metrogon lens. (53) Containers: galvanized; portable refrigerated. (54) Control equipment for electric motors, automatic. (55) Cooking outfit: mess and field. (56) Cordage and twine: hemp; jute; oakum; abaca; sisal; henequen; flax; silk. (57) Corrector; percentage; fire control. (58) Cranes. (59) Cutters: wire, and carriers (special service types). (60) Cylinders: chemical (portable); compressed gas or air.

(61) Demustardizing equipment: chemical warfare. (62) Diamond point tools. (63) Dies: forging; diamond. (64) Diesel engines, all types. (65) Distribution boxes. (66) Diving apparatus. (67) Drawers: wooden: half-wool; half cotton. (68) Dry-docks; floating. (69) *Ditchers.*

(70) Energizers: aircraft electric. (71) Engines: steam, *all types*; internal combustion for ship propulsion. (72) Explosives, including chemical components.

(73) Finders: radio direction; height; depression position; vertical view; range. (74) Fire control instruments and equipment. (75) Fire prevention and fighting equipment, all types. (76) Flares. (77) Flashlights (service types). (78) Flash ranging set. (79) Floodlighting equipment. (80) Flying equipment. (81) Forgings: brass; aluminum. (82) Frequency meter set, radio. (83) Furnaces, industrial (*any fuel*): for heat treating, *baking or melting.* (84) Fuze-setters.

(85) Gages, inspection. (86) Gas: decontamination apparatus and equipment; masks. (87) Gases: chemical warfare. (88) Generating units: service types. (89) Generators, electric and motor, including N. E. M. A. standard types, meeting A. I. E. E. specifications and rules. (90) Glasses: field, spotting; binoculars; spy; monoculars. (91) Gloves: leather; wool. (92) Goggles (service types). (93) Grader, road: self-propelled. (94) Grenades. (95) Guns: all types and calibers, (including carriages and mounts); limbers, and caissons.

(96) Hammers, power driven. (97) Head and chest set: communication. (98) Height finders. (99) Helmets (service types). (100) Hoist: ammunition. (101) Hoists, power or hand. (102) Howitzers: all types and calibers, with limbers, caissons, carriages and mounts.

(103) Insignia: uniform. (104) Instruments: battery commander; electro-diagnostic; observation optical (all types—complete); stereoscopic training; surgical and dental; surveying; azimuth and azimuth mills; self-synchronous (engine); drafting. (105) Insulation, steatite. (106) Interphone equipment: (aircraft: vehicular). (107) Insulating fire brick.

(108) Jigs and fixtures. (109) Kits: first aid; repair; (C. W.); toilet.

(110) Laboratory equipment: hospital and field. (111) Lamp equipment: signal. (112) Leggings: canvas. (113) Lenses requiring grinding except eyeglasses. (114) Lighters and barges. (115) Lighting equipment: electric (portable), service types; hangar; flying field. (116) Locators, sound: antiaircraft (CAC). (117) Lockers: steel. (118) Locomotives: Diesel; gasoline; electric. (119) *Laundry equipment.*

(120) Machine, blasting. (121) *Machine* and metal working tools. (122) *Machines, business, all types (except aluminum plates).* (123) Machinery: forging; power-driven, for casting, cutting, grinding, bolting, melting,

SEPTEMBER ZINC POOL

Zinc pool requirements for September, and for successive months until otherwise determined, were set August 22 at an amount of metallic zinc to be set aside by each producer equal to 27 percent of his July 1941 production and an amount of zinc oxide by each producer equal to 10 percent of his July 1941 production. The order announced by Priorities Director Stettinius for effect September 1, requires no zinc dust to be set aside for the pool in the period covered.

metal pressing, welding, refrigerating. (124) Magazines: small arm ammunition. (125) Mapping equipment: service types. (126) Marker beacon receiving equipment. (127) Masks: gas; oxygen. (128) Mattress, all types. (129) Megger insulation testing sets. (130) Mess outfits: field; barrack; ship. (131) Meter sets: frequency (seacoast). (132) Meters: electric; drift. (133) Mines: antitank; drifting or anchored. (134) Mine equipment: submarine. (135) Mine planters and yawls. (136) Mirrors: magnifying. (137) Mortars: all types and calibers with carriages, mounts. (138) Motion picture projection and sound equipment. (139) Motors: electric, including fractional horsepower. (140) Motorcycles: solo or side car (service types).

(141) Neatsfoot oil. (142) Nets: antishmarine; camouflage.

(143) Octant: bubble type. (144) Optical elements and instruments. (145) Oxygen manufacturing unit, portable.

(146) Paper, chart. (147) Parachutes: service types. (148) Photographic laboratory equipment, aerial and ground. (149) Pontoon equipment. (150) Projectors: signal (ground). (151) Pumping sets, all types. (152) Purification unit: water. (153) Pyrotechnics: service types.

(154) Quarrying equipment, including only rock crushers, rock drills and conveyors.

(155) Radio-apparatus (sending and receiving): all types. (156) Radio direction finders. (157) Radiosondes and equipment. (158) Range: field, complete with equipment. (159) Rangefinders. (160) Ranging equipment: sound. (161) Reels, firing. (162) Remote control equipment, for guns and searchlights. (163) Reproduction equipment: map (all types). (164) Repurification plant, helium (portable). (165) Resistors, electrical for vessels. (166) Rifles: magazines; machine, automatic; semiautomatic. (167) Rollers, 7-ton and larger.

(168) Saddle: pack (cargo and riding). (169) Scabbard: small-arms. (170) Scale: prediction. (171) Scrapers: tractor drawn. (172) Searchlights. (173) Searchlight control instruments. (174) Sextants, navigation. (175) Ships: all types—complete. (176) Small arms: all types and calibers. (177) Smoke, toxic and equipment for use. (178) Smoke screen apparatus. (179) Socks: woolen; cotton wool. (180) Sodium hydrosulfite; sodium sulfoxalate. (181) Sound equipment: underwater. (182) Sound locators: antiaircraft. (183) Sphygmomanometers. (184) Splint, surgical. (185) Spotting sets. (186) Stereoscopes: all types. (187) Stereoscopic testers. (188) Sterilizers, hospital and field. (189) Stoves, tent. (190) Submarine mine cable: steel. (191) Submarine safety and escape devices. (192) Switchboards, power complete assembly. (193) Sewing machines, all types. (194) Shovels, power.

(195) Table (plotting). (196) Tags: identification. (197) Tanks: cartridge; combat, all types and models: powder. (198) Targets, tow. (199) Telegraph sets (service specifications). (200) Telephones: all special service types: radio, and equipment. (201) Tents, service types. (202) Testing outfits, boiler water. (203) Theodolites. (204) Thermometers, industrial. (205) Thermostatic controls for refrigeration and air-conditioning machinery. (206) Time interval apparatus. (207) Tools: hand, precision; portable, power driven; special engine; torpedo. (208) Torpedoes. (209) Tractors: military; for use in construction. (210) Trailers: 2, 4 and 6 wheel, assorted; bomb. (211) Trainer: binaural; stereoscopic; instrument flying and landing (ground). (212) Transformers, electric. (213) Trucks: motor; industrial (electric, gas-electric and gasoline-powered).

(214) Underwear: half cotton, half-wool. (215) Vehicles (service types). (216) Vest, life preserver.

(217) Watches, service types. (218) Winch, balloon. (219) Wire: service types (see

3 formaldehyde chemicals, used in plastics and explosives, under priorities

Three important chemicals, essential to defense requirements in the fields of explosives and plastics, and also to the production of many items for civilian use, have been placed under priority control in a General Preference Order, it was announced August 22 by Priorities Director Stettinius.

The chemicals are formaldehyde, paraformaldehyde and hexamethylenetetramine. The order includes in its restrictions the synthetic resins made from these.

All defense deliveries of the chemicals and resins are assigned a preference rating of A-10, unless a higher rating has been assigned, and it is obligatory for producers to accept, under certain conditions, defense orders.

Effectuates OPACS program

Putting into effect the civilian allocation program of the Office of Price Administration and Civilian Supply (See DEFENSE, August 12), the order divides civilian uses into three groups, the third of which lists a number of uses for which none of the resins may be sold.

After all defense needs have been met, producers of the synthetic resins shall

first fill orders for the purposes listed in Classification 1, which include such essential civilian services as public and industrial heat, light, power and water equipment; transportation equipment; oil well equipment; industrial, food and medicinal containers; material and equipment for scientific research, et cetera. The priority rating of B-4 is assigned to resins for all uses itemized in Classification 1.

Classification 2, which includes such typical pieces of equipment as kitchenware, radios, household appliances, passenger automobiles, commercial photographic equipment, et cetera, is assigned the rating of B-8.

Certain uses prohibited

Among the prohibited uses listed in Classification 3 are those for the production of amateur photographic equipment, hardware, smoker's articles, advertising items, picture frames, toys, games, et cetera.

Deliveries of the three chemicals, formaldehyde, paraformaldehyde and hexamethylenetetramine, for all nondefense, nonplastic uses are assigned a preference rating of B-4.

cables; field (S. C.); for electrical instruments).

(220) X-Ray equipment; medical; industrial.

II. Raw Materials

(221) Acetone. (222) Aluminum and aluminum alloys: pig or fabricated. (223) Ammonia, anhydrous. (224) Antimony.

(225) Borax. (226) Boric acid. (227) Brass: pig and fabricated. (228) Bronze: pig or fabricated.

(229) Cadmium. (230) Chemicals: chemical warfare; explosives; medicinal. (231) Chlorine. (232) Chromium. (233) Cobalt. (234) Copper: pig and fabricated. (235) Cork. (236) Cotton: canvas duck; webbing. (237) Cotton linters. (238) Cresols; cresylic acid (meta-para; B. P. 200-210 C; less than 2 percent ortho).

(239) Down.

(240) Ferrous alloys, all types. (241) Fiber: abaca, sisal, henequen, hemp, flax, cotton linters, jute. (242) Formaldehyde. (243) Fuel: aviation; diesel, 50 cetane number and up.

(244) Halowax (plasticized chlorinated naphthylene) for insulating wire. (245) Hexamethylene tetramine.

(246) Impregnite (I and S). (247) Iridium. (248) Iron and steel products, including rolled, drawn, forged and cast; pig iron; and alloy steels.

(249) Lead. (250) Lubricant: diesel engine, special "RPM—Delo" or equivalent.

(251) Magnesium and alloys: pig or fabricated. (252) Manganese or spiegeleisen. (253) Mercury. (254) Methanol. (255) Molybdenum. (256) Monel metal.

(257) Naphthylene. (258) Neoprene. (259) Nickel alloy steel. (260) Nickel: pig or fabricated. (261) Nonferrous alloys, all types.

(262) Oakum, marine. (263) Oil: castor and fuel (diesel 50 cetane and up).

(264) Phenol. (265) Phthalic anhydride. (266) Polyvinyl chloride (and copolymers containing at least 90 percent vinyl chloride) plasticized or unplasticized. (267) Potassium perchlorate. (268) Potassium permanganate.

(269) Rubber, synthetic: rubberlike synthetic materials. (270) Rubber: raw, processed, and fabricated.

(271) Silk, parachute. (272) Steel, semifinished, finished, and fabricated, including alloys. (273) Synthetic resin moulding powders.

(274) Tin. (275) Tricresyl phosphate (less than 1 percent ortho). (276) Tungsten, ferro tungsten and tungsten ore. (277) Tungsten carbide.

(278) Vanadium and vanadium alloys. (279) Welding rod. (280) Whetlerite.

(281) Zinc. (282) Zinc hydrosulfite. (283) Zinc Chromate.

¹ Items which to the date of this edition have been subjected to allocation by the Priorities Division.

² Steel products are covered by a special order requiring preferential treatment of defense orders and permitting users to file a formal complaint of any inability to obtain delivery or place orders. Nickel alloy steel and Tungsten alloy steel are subject to industry-wide control.

PRICES AND CIVILIAN SUPPLIES . . .

Ceiling on principal rayon grey goods set about 10 percent under recent levels

Maximum prices averaging about 10 percent below recent levels are established for the most important types of rayon grey goods in Price Schedule No. 23 announced August 24 by OPACS Administrator Henderson.

This action, plus the broadening of the cotton grey goods schedule announced August 22, extends a price ceiling over most of the primary textiles required for women's dresses, men's shirts, underwear, coat and suit linings, handkerchiefs, sheetings and a multitude of other items of consumers' goods made of cotton and rayon.

Fear of shortage boosted price

"Rayon grey goods" is a term applied to cloth woven of rayon yarn and sold in an unfinished state to converters. The converters dye, print or otherwise "finish" the goods for sale in turn to the underwear, cloak and suit and dress-cutting trades.

During the past few months prices of rayon grey goods have risen sharply. Fear of shortage in an expanding retail market has caused the apparel trades to bid up converters' prices and the converters, in their turn, to bid up grey goods prices. The need to provide rayon yarns to mills which formerly used silk, now unavailable, has imposed an additional strain on rayon supplies and more pressure on the rayon grey goods price structure.

Voluntary agreement not inclusive enough

The voluntary agreements obtained by OPACS with leading weavers in mid-July to maintain temporarily the then-existing prices for certain standard fabrics have been adhered to by the participants. However, it was stated at that time that the prices for a number of types of rayon grey goods were considered too high.

Prices of fabrics not included in these agreements have continued to increase. Sales by mills not parties to the understanding, and particularly resales, have been made at excessive prices in many cases. The need for prompt action to stabilize the market is apparent.

By imposing maximum prices on rayon grey goods, OPACS has removed the main cause for higher finished goods

prices. In this connection, Mr. Henderson said his office will observe closely the price action of the finished goods markets. Should finished goods prices not be brought into line with the lower levels established for grey goods, appropriate action will be taken to bring about an equitable adjustment.

Other goods should fall in line

Similarly, the OPACS Administrator stated, constructions of rayon grey goods not presently covered by the schedule should assume their normal market differentials to the prices of fabrics now under the ceiling. If this does not follow, the schedule will be broadened to whatever extent necessary to establish a fair price relationship for all rayon grey goods. Variations in constructions which have the effect of an avoidance of the ceiling, should they occur, will be covered by supplements to the ceiling.

Mr. Henderson emphasized that the maximum prices apply to all sales or resales of rayon grey goods included in the schedule, whether by the weaver, converter or any other person. Second-hand sales at exorbitant prices have been one of the most disturbing features of recent markets.

Some of the leading constructions covered by the new schedule, their uses, and their maximum prices follow:

Linings.—Viscose twill, 38-inch, 112 by 68, 20 cents a yard; pigment taffeta, 40½-inch, 92 by 68, 18 cents a yard.

Dress goods.—Spun rayon, 10 percent blend, 41-inch, 66 by 38, 15 cents a yard; 2-ply alpaca, 48-inch, 44 by 36, 30 cents a yard.

Underwear fabrics.—Acetate satin, 42-inch, 200 by 72, 25½ cents a yard; acetate taffeta, 42-inch, 180 by 60, 23½ cents a yard; French crepe, 43½-inch, 150 by 94, 28½ cents a yard.

Contracts calling for delivery of grey goods at higher than ceiling prices may not be completed except at the maximum prices or below, under the provisions of the schedule.

Full details required

The schedule contains a provision requiring that full details of the constructions sold be included in each contract of sale and that invoices contain similar

detail or an identifying style number or symbol.

Manufacturers of rayon grey goods must report monthly to OPACS on the manufacture of all constructions not covered by the schedule, where such goods were made in quantities in excess of 25,000 yards per month, and the highest prices at which such constructions were sold during the month.

On or before October 10, 1941, and monthly thereafter, purchasers and sellers of rayon grey goods are required to submit affirmations of compliance, accompanied by sworn statements that during the month all such purchases or sales were made at prices in compliance with the schedule.

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Most of acetate held for hosiery is released for sale to anybody

Because only a slight hosiery mill demand for acetate rayon yarn has developed, OPACS on August 20 amended its rayon yarn allocation program to release for disposal without restriction virtually all of the acetate yarn thus far accumulated by rayon yarn producers for sale to manufacturers of hosiery.

Rayon filaments fall into three general categories; viscose, cuprammonium, and acetate, depending on the process used in their production. The OPACS allocation program, which was designed to provide hosiery mills and other former users of silk with sufficient supplies of rayon yarn to enable them to continue operations, made no distinction among the three types.

Hosiery manufacturers have found the viscose and cuprammonium yarn to be more satisfactory for the knitting of hosiery and, hence, have not drawn upon the stocks of acetate yarn thus far set aside for their benefits.

Rather than require the retention of this acetate yarn until the end of the current month, when redistribution would be permitted automatically under terms of the original program, OPACS has decided to release for immediate sale 95 percent of the acetate yarn accumulated for use by hosiery manufacturers.

That part of the program which dealt with the setting aside of rayon yarn for former users of silk, other than hosiery manufacturers, is not affected by the new amendment, and accumulation of such yarn, whether acetate, viscose, or cuprammonium, is still required.

Metals allocated to keep existing radios in operation

Metals required for the manufacture of replacement tubes and condensers needed to keep in operation the bulk of the 50,000,000 radio sets in the United States are allocated to that use in a program announced August 22 by OPACS Administrator Henderson.

Since the maintenance of existing communications is considered essential to morale, the replacement of burned-out radio tubes and defective condensers in radio sets is a matter of prime importance.

Sufficient for three months

The program stipulates that during the period from August 20 through November 30, 1941, the highest civilian rating shall be given to specific amounts of nickel, steel, aluminum, copper, chromium, tin, brass, and other metals required to manufacture radio tubes and electrolytic condensers for replacement purposes. Supplies of tubes and condensers that can be produced from the metals allocated are estimated sufficient to take care of normal demand during October, November, and December.

Apportionment of the metals allocated is keyed in the program to the ratio of each equipment maker's dollar sales of tubes and condensers in 1940 to the aggregate industry dollar sales of the same respective items in that year. Tubes made with metals provided under the program must be marked for replacement use only.

The allocation program, which will expire on November 30, 1941, will be administered by OPM. Applications for adjustments in the amounts of metals allocated may be made by manufacturers to the Director of Priorities, OPM.

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Goat skin prices under observation, OPACS warns

Following discussion with a group of goat and kid skin tanners, OPACS announced August 19 that it is studying the behaviour of goat skin prices and that current prices will be kept under close observation.

Any advance in goat skin prices, it was indicated, will be looked upon with concern and, if found to be unwarranted, will result in the imposition of price control. Ceiling prices for cattle hides and calf and kip skins were established on June 16.

Fine cotton goods taken in under ceiling; panel to be called on further extension

Extension of the cotton grey goods price schedule to cover principal types of fine goods was announced August 22 by OPACS Administrator Henderson.

By this action, OPACS brings under ceiling prices combed lawns, dimities, voile, and two constructions of high-grade combed broadcloth not previously subject to the schedule. The new prices were to go into effect August 23.

A meeting of the cotton textile advisory panel, created about a month ago, will be called by OPACS for the first week in September to consider ceiling prices for cotton fabrics still outside the schedule, as well as a number of technical questions.

Ceiling to be put on carded yarns

Mr. Henderson also announced that a price schedule covering carded cotton yarns will be issued shortly in order to restore carded yarn prices to their normal relationship with the prices for combed cotton yarns, now under a ceiling. A meeting with carded yarn producers will precede the issuance of this new schedule.

The present cotton textile schedule had a top price of 61 cents a pound for combed broadcloth, 40 inches and narrower, 136 sley and below. Using this as a base and expressing combed broadcloth prices in cents per yard, the amendment sets top prices of 10¼ cents a yard for 40-inch 76 by 72 lawns; 10¾ cents per yard for 36-inch 96 by 68 dimity, and 9 cents a yard for 39-inch 60 by 52 slack voile.

A ceiling price of 14¾ cents a yard is established for the 37-inch 136 by 60 and 128 by 68 constructions of combed broadcloth, for which the present schedule stipulates a price of 61 cents a pound. The conversion from a poundage to a yardage basis represents but a fractional change in the ceiling price and completion of sales made under contract at prices computed on the former poundage basis is allowed.

Two finer constructions of combed broadcloth, 37-inch 144 by 76 and 37-inch 152 by 80, are assigned maximum prices of 15¾ cents and 17 cents a yard respectively.

The amendment also provides that the price of "seconds" and "shorts" of all fabrics covered by the schedule shall not exceed 95 percent of the ceiling price for such goods.

Other constructions of high-grade cot-

ton grey goods, such as piques, satcens, and pongees, will be added to the schedule upon completion of studies as to appropriate differentials in the light of the new ceiling prices on the constructions now included.

The latest amendment takes note of the fact that combed broadcloths are always made with "feeler motion," and hence makes clear that the 1-cent "feeler motion" premium allowable under the schedule does not apply to these goods.

Deliveries of goods added to the schedule by the latest amendment at prices above the maximums in completion of contracts previously made will not be permitted. To obviate any actual monetary loss, however, persons who acquired actual goods and contracted to sell them at prices above the ceiling prior to issuance of the amendment may apply to OPACS for permission to complete deliveries at the contract prices.

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Ceiling on formaldehyde set at 4.25 to 9.5 cents a pound

Action to curb the exploitation of civilian users of formaldehyde by certain dealers who have been charging as much as 47 cents a pound, against manufacturers' prices of 6 cents a pound for comparable quantities, was taken August 21 by OPACS Administrator Henderson, through the imposition of ceiling prices.

Maximum prices established by the schedule range from 4.25 cents to 9.5 cents a pound, f. o. b. the five major shipping points, with freight equalization, and are based upon the highest list prices now being charged by the leading manufacturers. The schedule does not apply to sales of formaldehyde in containers below 45 pounds.

A shortage in supplies of formaldehyde, previously recognized by OPACS in its allocation program designed to reduce nonessential uses of the chemical, has resulted from the heavy demands of defense and civilian industry for synthetic resins. Despite the shortage, manufacturers have maintained their prices at reasonable levels, as have most jobbers and dealers.

The schedule allows a premium of 1 cent a pound over the ceiling prices for dealers and suppliers selling formaldehyde from local stocks.

Ceiling is put on copper scrap to restore relationship to new metal

Copper scrap, which has been selling at levels completely out of line with the price of copper, is restored to a fair relationship in Price Schedule No. 20, announced August 19 by OPACS.

The scrap ceiling establishes price differentials of from 2 to 4 cents a pound below 12-cent copper for the leading kinds and grades of scrap. A uniform dealers' margin of $\frac{3}{4}$ -cent a pound for collecting, sorting, storing, and shipping is also allowed.

To relieve drain on new metal

Scrap copper is a basic material in the production of electrolytic copper and copper and copper-alloy ingot, which are essential to the defense program and civilian industry. Scrap prices in recent months have been bid up to a point where the usual spread between scrap and copper has been greatly altered and custom smelters and brassingot makers have been largely deprived of their usual supplies. This situation, if allowed to continue, would have forced defense users of copper, which is subject to priority control, to draw more heavily on supplies of new metal. Thus, allocation problems would have multiplied to the detriment of the defense effort and industry at large.

10 cents a pound for No. 1

Top prices are fixed in the schedule at 10 cents per pound for No. 1 copper wire and No. 1 heavy copper; 9 cents a pound for No. 2 copper wire and mixed heavy copper (each containing 96 percent of copper), and 8 cents a pound for light copper (containing 92 percent copper). These maximums apply to sales by "makers" of scrap, delivered to the buyer's plant or warehouse.

As heretofore stated, dealers are allowed a $\frac{3}{4}$ -cent per pound margin above the foregoing prices for collecting, sorting, storing, and shipping the types of scrap covered in the schedule.

A premium of one-half cent a pound may be charged by makers only, on shipments aggregating 40,000 pounds or more and made at one time. This premium recognizes the practice of certain large makers of returning their scrap directly to a user.

If quantity deliveries are made by truck, a shipment of 40,000 pounds will be considered to have been made at one time if such an amount is delivered to the buyer within two days after the first

part of the shipment is picked up by truck.

Differentials for variations

A differential of 0.11775 cent per pound may be added to or subtracted from the ceiling prices for each 1 percent variation above or below the copper content of 96 percent in the case of No. 2 copper wire and mixed heavy copper, and 92 percent in the case of light copper, with proportionate adjustments for variations of less than 1 percent.

The schedule prices will apply on and after August 19, 1941, irrespective of existing contracts. However, application may be made to OPACS for permission to carry out prior arrangements in cases where losses may result in the disposition of inventory acquired prior to August 19, 1941, at higher than the maximum prices. A time limit of October 19, 1941, is fixed for the filing of such applications.

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Nugent to represent OPACS on consumer credit committee

Rolf Nugent, director of consumer credit studies for the Russell Sage Foundation, was named by Leon Henderson August 18 as his alternate on the committee to coordinate work of the Federal Reserve System with other Government agencies in connection with regulation of consumer credit.

The executive order on regulation of consumer credit provided for creation of a committee consisting of the Secretary of the Treasury, the Federal Loan Administrator, and the Administrator of the Office of Price Administration and Civilian Supply, or such alternates as each shall designate, to facilitate the coordination of the Board's functions "with other phases of the program for national defense and for protecting the national economy."

Mr. Nugent, a widely recognized authority on consumer credit problems, has been serving as an OPACS consultant in this field.

Mr. Nugent worked with Mr. Henderson for the Commonwealth of Pennsylvania at Harrisburg in the early '20's, and became Mr. Henderson's assistant when the latter was director of the Department of Consumer Credit Studies for the Russell Sage Foundation.

Freon refrigerants allocated; maintenance gets first call

Allocation of available supplies of Freon refrigerant gases to users and manufacturers of civilian refrigeration and air-conditioning equipment in the order of relative importance to the public welfare is directed in a program announced August 19 by the Office of Price Administration and Civilian Supply.

Freon is the proprietary name for several types of chlorinated hydrocarbon refrigerants produced only by Kinetic Chemicals, Inc., a du Pont subsidiary. These are used in several types of domestic refrigerators, as well as in commercial and industrial equipment and in all types of air-conditioning equipment, including railroad cars. Freon is manufactured from carbon tetrachloride, which in turn is made from chlorine. Heavy defense needs for this basic chemical have caused a shortage in many of its derivatives.

Maintenance preferred

A senior classification is assigned in the program to maintenance of all types of refrigerating equipment now operating and existing air-conditioning equipment in hospitals, clinics, and sanatoria requiring Freon refrigerants.

Maintenance of industrial air-conditioning equipment already installed ranks next in preference, followed by maintenance of other air-conditioning equipment, then by manufacture of new refrigeration and air-conditioning equipment.

Current supplies of Freon are expected to be adequate for the maintenance of all installed refrigeration and air-conditioning equipment, but some deliveries for new units may have to be deferred until the summer ice cream and air-conditioning season is passed.

Pooling of orders urged

Cooperation of Freon consumers is essential if equitable allotment of available supplies is to be achieved. OPACS suggests that (1) reasonable requirements should be anticipated, but shipment of more than a 30 days' supply should not be requested; (2) empty cylinders should be returned promptly, and (3) "pooling" of orders by separate units of one establishment should be undertaken where feasible to reduce the number of cylinders required and to keep inventories from becoming excessive.

The program, which will expire December 31, 1941, unless sooner terminated will be administered by the Division of Priorities, OPM.

News for Retailers

Retailers Warned About Priority Racketeers

In connection with OPM's issuance of the revised Priorities Critical List last week, OPACS officials are warning retailers to beware of fly-by-night speculators who have been trying to take advantage of the list to corner the market on some of the items mentioned.

Investigations are now underway of unscrupulous firms possessing only a telephone, an address, and a name, who telegraph jobbers and retailers suspected of having large inventories, offering them "spot cash" for supplies of materials on the priorities list.

OPACS officials exhibit one telegram from the "----- Chemical Company," with a New York address, as an example of the type of speculative activity that is attempting to profiteer on defense.

"Plants engaged in National Defense have directed us to obtain for them additional quantities of commodities listed below. They authorize us to *pay very handsome premiums.*"

The telegram then lists, in the same alphabetical order, all the drugs mentioned in the latest Priorities Critical List, ending with the phrase:

"You will profit very substantially and render assistance to the Defense Program. Spot cash paid for all purchases. Please cooperate."

OPM has pointed out that issuance of the Priorities Critical List does not necessarily mean that there is a shortage in the articles included, but that they are placed on the list as a precautionary measure in order to make it possible for Army and Navy contracting officers to automatically assign preference rating certificates which will assure prompt delivery of the articles for military purposes.

Retailers are advised against being exploited by these defense racketeers, either by selling to them or buying from them. The OPM Division of Priorities will provide adequate supplies of needed materials for national defense plants, and OPACS officials assure the trade that, should civilian shortages develop, OPACS will endeavor to allocate remaining supplies on an equitable basis and prevent price increases not dictated by unit cost advances.

Comparatively few consumer goods items were added by the August list. Among those of interest to retailers are: sewing machines, down, asbestos roofing products, and electric motors of fractional horsepower. A complete list is printed on page 10.

Freon Allocation

Wires, telephone calls, and distress letters from retailers in all sections of the country saying that their refrigerating and air-conditioning equipment was out of order and could not be serviced because of a shortage in refrigerating gas prompted the formulation of the new Freon allocation program, according to OPACS chemical allocation officials.

The allocation program gives first call on available supplies of Freon gas to existing refrigeration and air-conditioning equipment, which means that the stalled meat counters, frosted foods sections, dairy and beverage refrigerators, and air conditioners will soon be working again.

Supplies of Freon, proprietary name for several types of chlorinated hydrocarbon refrigerants, are expected to be adequate for installed equipment as a result of the order, but preliminary estimates indicate that the quantities left for the manufacture of new cooling equipment will be sufficient for less than 50 percent of the usual amount required for the month of September.

Manufacturers of refrigerating equipment, in so far as they are not already required to curtail production under the OPACS durable goods curtailment program, may be able to shift their current models to the use of sulphur dioxide gas in place of Freon.

This change-over will work less of a hardship on manufacturers than it would have on owners of existing refrigerators or air conditioners, since a change from Freon gas to the substitute gasses in existing units requires redesign of the equipment.

A shortage of chlorine due to a heavy defense demand is the bottleneck in Freon production. Freon is derived from carbon tetrachloride, which in turn is made from chlorine.

Facilities for the expansion of the manufacture of chlorine also being constructed, but so far the growth in pro-

duction has not been sufficient to keep pace with the growing national defense demand.

Furniture Standards

Simplification and standardization of furniture as a means of increasing production is being considered, following meetings of six major groups in the furniture manufacturing industry with OPM officials last week.

C. D. Dosker of Gamble Brothers, metal furniture manufacturers of Louisville, Ky.; E. R. Dibrell of the Conservation and Reclamation Unit of OPM; T. A. Finch, of the Thomasville Chair Co. of Thomasville, N. C.; and Steve Johnson of the Simmons Co., Kenosha, Wis., were appointed to the conservation program and simplification of product line committee.

Because steel production facilities are needed for defense purposes, a curtailment in steel for the manufacture of metal office and household furniture and equipment is anticipated.

Standardization and simplification of lines and style will be investigated by the committee as a means of saving needed materials and of increasing production of wood furniture to take the place of metal furniture limited by raw material shortages.

At the OPM meeting last week, an industry representative stated that a substantial saving of scarce materials could be made through the standardization of drawer sizes alone.

Simplification of office furniture is expected to be comparatively easy, since uses to which it is put are fairly uniform throughout the country, and standardization consequently will depend on manufacturing considerations. But household furniture may present some problems if the needs of the consumer are kept in mind, according to furniture experts of the standards section of OPACS' Consumer Division.

As an instance of one of the problems faced in household furniture standardization, they point out that laundries in different sections of the country fold shirts and linens in different lengths. In the Chicago area, for example, finished shirts are 17½ inches long, but in other regions laundries may fold them shorter or longer. In order to standardize drawers to hold different types of laundered clothes and linens without wasting space, an important consideration in a time of crowded living space, such regional factors would have to be taken into account.

Ceiling on Pennsylvania grade crude oil cuts off 23 to 25 cent rise of August 14

Ceiling prices which restore quotations for Pennsylvania grade crude oils to levels prevailing before the 23 to 25 cents a barrel increase of August 14 were announced August 23 by OPACS Administrator Henderson.

The Office of the Petroleum Coordinator for National Defense concurs in the desirability of maximum prices for these crudes.

The schedule sets a ceiling price of \$2.75 per barrel for Bradford crude; \$2.40 per barrel for Southwest Pennsylvania crude; \$2.34 per barrel for Eureka crude, and \$2.30 per barrel for Southeastern Ohio crude. Top prices for the various qualities between Oil City and Titusville, Pa., range from \$2.63 to \$2.69 per barrel.

Produced in several States

Production of Pennsylvania grade crude oil approximates 76,000 barrels a day, or about 2 percent of the total daily output of crude oil in the United States. The description "Pennsylvania grade" has reference to the special qualities possessed by this crude oil, rather than the State of its production. While most of the total output flows from wells in Pennsylvania, substantial quantities are recovered from wells in New York State, southeastern Ohio and northern West Virginia. "Bradford crude" refers to Pennsylvania grade oil produced from the Bradford and Alleghany pools; "Southwest Pennsylvania" to oil coming from wells in that area; "Southeastern Ohio" is similarly self-descriptive. "Eureka" crude is the Pennsylvania grade produced by wells in West Virginia and run by the Eureka Pipe Line. "Oil City-Titusville" oils come from wells in that general vicinity in Pennsylvania.

From the limited production of Pennsylvania grade crude oils are recovered high-grade lubricants of special value to the defense program and civilian industry. Acceleration of defense activity and civilian industry over the past year has stimulated demand for these high-grade lubricants to an abnormal degree. This pressure on supplies of Pennsylvania grade crude oils has been reflected in a series of price increases aggregating about 50 percent over the past nine months and quotations currently are at or near the highest levels in 10 years.

Some sample price increases

Even before the general increase of August 14, prices had risen 90 cents a

barrel above those in effect in November 1940. Thus, Bradford crude had gone up from \$1.65 to \$2.75 a barrel, and Eureka crude from \$1.44 to \$2.34 a barrel. The increases over 1940 prices were greater on a percentage basis than any advances in the prices of any other grades of crude oil in the United States over the same period.

An inquiry into Pennsylvania grade crude oil prices was initiated by OPACS, and conferences with producers, purchasers and refiners followed. An advance of 25 cents a barrel on August 1 was proposed, but action was deferred at the request of OPACS pending the submission of evidence to justify the raise. Before submission of supporting data was completed a 25-cent per barrel price increase was put into effect as of August 14.

No great rise in supply

"The difficulties and delays involved in developing new supplies of Pennsylvania grade crude oil are such that even the substantial price increases of the past nine months have not called forth additional supplies in great volume," Mr. Henderson said. "Higher prices which do not serve to increase supplies appreciably and which cannot be justified by higher costs are inflationary."

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Maintaining menthol supply discussed with OPACS

Ways of maintaining adequate supplies of menthol have been discussed at a meeting with several importers of citronella oil and manufacturers of menthol, OPACS announced August 22.

Menthol has been largely imported from Japan and China. The current situation in the Far East threatens to affect the maintenance of adequate supplies in the United States.

Because menthol is made from citronella oil in this country, the desirability of allocating supplies of citronella so as to insure a substantial increase in the domestic production of menthol was explored at the meeting. The possibility of a price ceiling for citronella oil was introduced by menthol producers. However, officials of OPACS asserted that further studies would be required before any definite conclusions on the price question could be announced.

Steel drums for petroleum and chemicals made eligible for priority ratings

Arrangements by which manufacturers of steel drums and containers will be able to obtain enough steel to fill defense orders from the petroleum and chemical industries during the next two months while a permanent program is being worked out were announced August 22 by the Division of Purchases, OPM.

A committee representing the industry has had many meetings with OPM officials during recent weeks. This committee has been informed that the 54 manufacturers of steel drums should make out and submit Forms PD-1 for their requirements to meet orders for chemical and petroleum products during September and October on the basis of $\frac{3}{4}$ of the normal rate. Their orders will then be eligible for A-5 priority ratings.

The drum manufacturers have found great difficulty in getting the sheet steel they need for the chemical and petroleum industry, and to a large extent the industry has been operating on its inventories.

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Panels explore ways to protect consumer

The best ways of protecting consumer interests in connection with the imminent reduction of production of refrigerators, washing machines, and other lines of consumer goods, resulting from scarcities of various materials, were considered August 22 in a joint session of the two new advisory panels which have been set up by the Standards Section, Consumer Division, OPACS.

The technical information furnished by these two panels will serve as the basis of recommendations to be made by the Consumer Division to OPACS Administrator Henderson, on how reduction of production can best be planned to be consistent with consumer needs. The second meeting of the two panels will be held about the same time next month. The standards advisory panel is made up of a limited number of representatives of commercial and private standards-formulating and standards-using companies. The governmental and institutional purchasing agents advisory panel includes purchasing agents of several cities, States, and universities.

Sugar ceiling amendment aids holders of forward contracts

Pursuant to its price schedule of August 14 fixing the maximum price of raw sugar, the Office of Price Administration and Civilian Supply issued August 22 a supplemental provision covering the settlement of forward delivery contracts entered into by the sugar trade before the schedule became effective.

The ceiling price established in the schedule was 3.5 cents a pound for raw sugar, New York duty paid basis. Persons or firms with bona fide contracts calling for future delivery of sugar above this price are now given permission to file application on the basis of which permits would be granted to carry out the sale at the original price except in those cases where failure to grant such permits would not cause hardship.

OPACS also announced that refiners were being invited to a meeting in Washington, August 28. The refiners are being called in to discuss problems of refiners growing out of the establishment of a ceiling price for raw sugar.

OPACS officials also stated that conferences with grower representatives, sugar processors, and other interested groups would be held in the near future to consider viewpoints and administrative problems in connection with the ceiling price schedule.

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Chlorinated hydrocarbon refrigerants under priorities

In a General Preference Order designed to assure the proper functioning of hospitals and food preservation units (household refrigerators, storage plants), and to meet all defense requirements, Priorities Director Stettinius has placed chlorinated hydrocarbon refrigerants under priority control.

The order assigns the rating of A-10 for deliveries of these refrigerants for defense uses, such as Army and Navy hospitals and cantonments, and ship storage plants.

After the satisfaction of defense needs, the remaining supply is to be distributed according to the civilian allocation program of the Office of Price Administration and Civilian Supply (see page 14).

Chlorinated hydrocarbon refrigerants are defined in the order as: trichloromonofluoromethane, dichlorodifluoromethane, dichloromonofluoromethane, trichlorotrifluoromethane, and dichlorotetrafluoroethane.

Advice to consumers on sugar prices

Following the setting of a ceiling price of 3.5 cents per pound for raw sugar by the Office of Price Administration and Civilian Supply, the question is frequently being asked by consumers as to what should be a reasonable range of retail prices for sugar in their localities. The Consumer Division of OPACS has developed the following information to help consumers in following sugar prices:

First of all, it has been indicated by Leon Henderson, Administrator of OPACS, that consumers should not pay more for sugar than they were paying about the middle of this month. What the average local price will be depends upon the distance from the nearest refinery, transportation costs and whether or not a city is located in the "sugar beet area" where sugar prices are normally higher.

A general guide as to average prices for sugar, as well as other commodities, is to be found in the monthly figures issued by the Bureau of Labor Statistics of the U. S. Department of Labor. The last figures for 56 cities are for July 15. A sampling indicates, however, the sugar prices as of about the middle of August were only slightly higher, although official figures will not be out for two weeks.

The figures which are quoted below are presented for the purpose of giving consumers a general idea of what may be considered average prices in the cities mentioned for sugar in 10-pound lots.

Cities where relatively high prices for

sugar are normal: Butte, Mont., 68.2 cents; Denver, Colo., 67.3; Knoxville, Tenn., 64.0; Salt Lake City, Utah, 63.3; Seattle, Wash., 62.3; Louisville, Ky., 62.0; Minneapolis, Minn., 61.8; Detroit, Mich., 61.7; Columbus, Ohio, 61.6; Cedar Rapids, Iowa, 61.6; St. Paul, Minn., 61.1; Memphis, Tenn., 61.0; Portland, Oreg., 60.6; Peoria, Ill., 60.6; Cincinnati, Ohio, 60.5; Springfield, Ill., 60.5; Wichita, Kans., 60.4; St. Louis, Mo., 60.2; Cleveland, Ohio, 60.2; Indianapolis, Ind., 60.1; Milwaukee, Wis., 60.0.

Cities where sugar prices fall in the medium class: Little Rock, Ark., 59.6; Mobile, Ala., 59.6; Kansas City, Mo., 59.5; Jackson, Miss., 59.3; Omaha, Nebr., 59.0; Portland, Maine, 59.0; Norfolk, Va., 59.0; Pittsburgh, Pa., 58.7; Rochester, N. Y., 58.6; Chicago, Ill., 58.6; Winston-Salem, N. C., 58.7; Bridgeport, Conn., 58.1; Scranton, Pa., 57.6; Buffalo, N. Y., 57.4; Boston, Mass., 57.2; Manchester, N. H., 57.1; New Haven, Conn., 57.0; Birmingham, Ala., 57.0; Charleston, S. C., 56.9; Savannah, Ga., 56.9; Fall River, Mass., 56.8; Richmond, Va., 56.6; San Francisco, Calif., 56.6; Dallas, Tex., 56.5; Baltimore, Md., 56.5; New Orleans, La., 56.4; Providence, R. I., 56.2; Atlanta, Ga., 56.2; Houston, Tex., 56.1.

Cities where low sugar prices prevail: New York, N. Y., 55.6; Philadelphia, Pa., 55.3; Los Angeles, Calif., 55.3; Newark, N. J., 54.9; Washington, D. C., 54.8; Jacksonville, Fla., 54.7.

Chicago area wastepaper users agree to limit bid prices

Individual agreements whereby 30 manufacturing companies in the Chicago area, all large consumers of wastepaper, will keep their bids for the four low grades of wastepaper within the "Chicago" prices of June 16, 1941, were announced August 21 by OPACS.

The June 16 "Chicago" prices (\$13 per ton for No. 1 mixed; \$14 per ton for super-mixed; \$15 per ton for news, and \$16 per ton for corrugated) are those agreed upon previously by OPACS and individual dealers in wastepaper.

The 30 manufacturers also have agreed that they will allow brokers or dealers already under contract to them to sell wastepaper to such other mills as are in distress for supplies upon determination of such need by OPACS.

In reference to the "Chicago" wastepaper prices, it is pointed out that the

agreements with wastepaper dealers permit an additional charge of \$1 per ton for loading corrugated paper in freight cars in the city of Chicago only.

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West Coast paper board makers to keep prices set in June

West Coast manufacturers of paper board have agreed individually with OPACS to continue until December 31, 1941, unless unusual circumstances intervene, the prices first agreed upon with OPACS in June of this year, Leon Henderson, administrator, announced August 19.

Base prices which will prevail on deliveries of 10 tons or more are as follows: Plain chip, \$50 per ton; single manila, \$63.50; white patent coated, \$80.

The differentials for other grades in effect on April 1, 1941, are to be applied to these base prices.

50,000 sought for nurse training as military needs, civilian shortage mount

Fifty thousand well educated young women to begin training this fall for professional nursing careers were called for in an announcement of August 15 issued by the Office of the Coordinator for Health, Welfare and Related Defense Activities, Paul V. McNutt.

National defense programs require a tremendous number of graduate registered nurses if we are to "avert serious damage to the Nation's health" Surgeon General Thomas Parran, member of the Health and Medical Committee of the Coordinator's Office, declared in describing the need for trainees.

\$1,250,000 available

The States Relations Division of the United States Public Health Service, under Doctor Parran's direction, is administering a recent Congressional appropriation of \$1,250,000 which will facilitate the training of these additional nurses. The funds will also be used to provide refresher courses for inactive registered graduate nurses returning to active duty, and in offering post-graduate instruction in special fields of study.

Besides recruiting more student nurses, thousands of registered graduate nurses are being mobilized for total national defense.

The American Red Cross is conducting an enrollment campaign for its First Reserve, official reservoir of nurses for the Army and Navy, and at present has an enrollment of 20,549. Approximately 1,000 nurses are enrolling each month in the First Reserve, but Red Cross officials anticipate increasing this number to 1,500 per month in the immediate future.

Army enrolling 600 a month

The Army Nurse Corps is enrolling approximately 600 reserve nurses per month. At present there are 5,831 nurses on active duty of which 4,512 are reserve nurses. The authorized quota for the Army Nurse Corps for the fiscal year of 1942 is 8,237 nurses and this is expected to be achieved by December 31.

Surgeon General Magee of the Army pointed out that if the United States should declare war at any time in the future, the need for more registered graduate nurses would mount astronomically. He based this on records of the

last war, when nearly 22,000 nurses were on active duty.

The Navy Nurse Corps, while necessarily smaller than the Army nursing staff, is also expanding. Surg. Gen. Ross T. McIntire of the Navy stated that the Navy Nurse Corps now has approximately 700 nurses on active duty, including nearly 140 reserve nurses. More than 1,000 reserve nurses await a call to duty, and this number may be increased by an additional thousand or more by the end of the year.

10,000 vacancies in civilian hospitals

Civilian hospitals in some parts of the country are understood to be critically affected by the increasing demand for nursing service. At present, there are approximately 10,000 vacancies in graduate registered nurse positions in the Nation's hospitals, according to a recent survey published in the American Journal of Nursing.

Training 100,000 volunteer nurses' aides within the next 12 months in collaboration with the American National Red Cross and the major hospitals of the country (as announced August 17 by OCD Director LaGuardia and reported in DEFENSE August 19) is another important project to relieve the already overburdened nursing facilities in civilian hospitals.

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DCB asks restriction of access to communications plants

The Defense Communications Board, through Chairman James Lawrence Fly, has notified the wire and radio communications industry, including manufacturing, of a resolution adopted by the DCB intended to restrict access to communications plants and stations.

Because of the importance to national defense of such facilities, it is desirable that the industry restrict admission to premises (other than portions necessarily open to the public) to employees, Federal, State, or local government officials in performance of duty, and persons considered necessary by the management to the conduct of business. Mr. Fly requested that representatives of foreign governments, and alien individuals and groups be barred except upon express permission granted by the DCB.

26 community facilities projects approved

The Defense Public Works program to provide public facilities or services necessary to the health, safety or welfare of persons engaged in defense activities swung into action last week.

President Roosevelt's approval of 26 projects in 12 states was announced August 18 by Federal Works Administrator John M. Carmody. The total estimated cost of the group is \$5,765,531.

More than \$395,000,000 worth of applications for projects are in process of examination.

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Chromium order changed

Several changes in the General Preference Order covering chromium were announced August 23 by Priorities Director Stettinius.

Largely technical in nature, the changes are designed:

(1) To include a new definition of the term "Processor" in order to remove certain doubts as to the application of the term which have arisen in the course of administering the order.

(2) To include the latest approved definition of the phrase "Defense Order."

(3) To clarify the meaning of paragraph (b) (9) of the order restricting the use of chromium in making chemicals.

(4) To include a provision requiring the acceptance of defense orders.

(5) To include a provision for the relief of persons whose defense orders have been unreasonably rejected or to whom deliveries of chromium under defense orders have been unreasonably deferred.

Chromium was placed under full industry-wide priority control in an order issued on July 7.

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McCabe succeeds O'Neill as Priorities deputy director

Priorities Director Stettinius announced August 19 the appointment of Thomas B. McCabe, president of the Scott Paper Co., Chester, Pa., as deputy director of the Division of Priorities in charge of operations.

Mr. McCabe, who served last year in the Industrial Materials Division of the National Defense Advisory Commission, will take the place of James L. O'Neill, who is returning to his duties as operating vice president of the Guaranty Trust Co. of New York. Mr. O'Neill will continue to be available as a consultant.

PURCHASES . . .

\$166,372,695 War Department contracts cleared August 14 through August 20

Defense contracts, including informal letter contracts, totaling \$166,372,695 were awarded by the War Department and cleared by the Division of Purchases, Office of Production Management, during the period August 14 through August 20. Formal contracts totaled \$165,272,695. This compares with \$214,058,229 for the previous week.

Contracts and one informal letter contract for construction amounted to \$60,349,493, for ordnance to \$47,553,007, for equipment and supplies to \$16,934,618, and for aircraft to \$41,535,577.

In addition, the War Department announced a subcontract, the amount of which was included in a previously reported primary contract.

Contracts awarded during the period were:

CONSTRUCTION

Two contractors: Griffin Construction Co. and the Mion Construction Co., both of Atlanta, Ga.; construction of Georgia Air Depot at Wellston, Ga., near Macon; \$10,625,654.

Brann & Stuart & Co., Philadelphia, Pa.; construction of General Storage Quartermaster Depot at Marietta, Pa.; \$5,044,600.

Two contractors: H. B. Zachry Co. and J. E. Morgan and Sons of San Antonio, Tex.; construction of Flexible Gunnery School at Harlingen, Tex.; \$4,138,229.

Two contractors: Tankersley Construction Co. and M. E. Trapp, both of Oklahoma City, Okla.; construction of basic flying school at Enid, Okla.; \$3,940,000.

Two contractors: G. L. Tarlton Contractor, Inc., and the MacDonald Construction Co., both of St. Louis, Mo.; construction of camp at Neosho, Mo.; \$12,500,000.

Ebersbach Construction Co., Tampa, Fla.; construction and completion of runway and apron paving, Drew Field, Tampa, Fla.; \$513,131.

Three contractors: J. A. Jones Construction Co., Charlotte, N. C., the MacDougald Construction Co., and the Smith and Pew Construction Co., both of Atlanta, Ga.; construction of a motorized triangular division camp; \$12,600,000.

Two contractors: Duffy Construction Corporation and The Carleton Co., Inc., New York, N. Y.; construction of a general depot and traffic regulation station at Voorheesville, N. Y.; \$5,044,600.

The N. A. Woodworth Co., Ferndale, Mich.; construction of plant with machinery and equipment for production of aircraft engine parts; \$976,344.

Two contractors: John F. Bloomer & Jos. D. Bonness, Inc., Milwaukee, Wis.; preparation of landing field and paving of runways and taxi-ways, Brookley Field, Mobile, Ala.; \$1,856,637.

Gibbons & Reed Co., Salt Lake City, Utah; construction of apron runways, taxi-ways, and appurtenant facilities, Las Vegas, Nev., airport; \$521,444.

Two contractors: Peter Kiewit Sons Co. and J. B. Bertrand, Inc., Denver, Colo.; construction of runway paving and drainage for Auxiliary Field at Lowry Bombing Range, Denver, Colo.; \$722,870.

The Green Lumber Co., Laurel, Miss.; prefabricated buildings; \$765,984.

ORDNANCE

General Motors Corporation, Gude Lamp Division, Anderson, Ind.; cartridge cases; \$611,000.

American Mfg. Co. of Texas, Fort Worth, Tex.; shells; \$2,550,000.

H. A. K. Products Corporation, Ft. Lauderdale, Fla.; shells; \$760,000.

National Tube Co., Christy Park Works, McKeesport, Pa.; demolition bombs; \$4,141,500.

Mack Mfg. Corporation, Long Island City, N. Y.; transmission and drive assemblies for tanks; \$1,674,969.

Kearney & Trecker Corporation, West Allis, Wis.; milling machines; \$966,889.

A. S. Campbell Co., Inc., Boston, Mass.; cartridge cases; \$1,864,000.

Bishop & Babcock Mfg. Co., Cleveland, Ohio; shells; \$2,096,766.

Colt's Patent Fire Arms Mfg. Co., Hartford, Conn.; parts for guns; \$685,673.

E. I. du Pont de Nemours & Co., Carney's Point Works, Carney's Point, N. J.; powder; \$3,496,293.

U. S. Machine Corporation, Lebanon, Ind.; shells; \$1,259,000.

Veeder-Root Co., Hartford, Conn.; fuzes; \$577,500.

Tokheim Oil Tank and Pump Co., Ft. Wayne, Ind.; bomb bodies; \$2,094,870.

American Brass Co., Waterbury, Conn.; brass discs; \$1,756,628.

American Brass Co., Waterbury, Conn.; two contracts for cartridge brass; \$20,017,919.

EQUIPMENT AND SUPPLIES

Curtiss-Wright Corporation, Airplane Division Buffalo Plants, Buffalo, N. Y.; wing panel units; \$772,800.

Dowty Equipment Corporation, Long Island, N. Y.; assemblies; \$759,200.

The Denison Engineering Co., Columbus, Ohio; hydraulic test stand assemblies; \$616,737.

A. O. Lawrence Leather Co., Peabody, Mass.; sheep shearing; \$787,152.

Winslow Bros. & Smith Co., Norwood, Mass.; sheep shearing; \$786,836.

Universal Building Products Corporation, Dallas, Tex.; field maintenance shelters; \$804,050.

Kinner Motors, Inc., Glendale, Calif.; engines and parts; \$745,342.

Autocar Co., Ardmore, Pa.; tractor-trucks; \$962,268.

Marletta Mfg. Co., Point Pleasant, West Va.; coast artillery boats; \$4,560,000.

Trailer Co. of America, Cincinnati, Ohio; semitrailers and dollies; \$1,126,778.

Keystone Aviation Co., Inc., Philadelphia, Pa.; aerial photography; \$542,877.

RCA Manufacturing Co., Inc., Camden, N. J.; transmitters; \$1,295,128.

St. Louis Car Co., St. Louis, Mo.; ammunition cars; \$744,600.

General American Transportation Corporation, Chicago, Ill.; railroad tank cars; \$1,287,000.

Fargo Motor Corporation, Detroit, Mich.; ½-ton trucks and ½-ton ambulances; \$1,143,850.

AIRCRAFT

Curtiss-Wright Corporation, Airplane Division, St. Louis Plant, Robertson, Mo.; airplanes and spare parts; \$28,150,924.

North American Aviation, Inc., of Texas, Dallas, Tex.; airplane maintenance parts; \$1,340,788.

Cessna Aircraft Co., Wichita, Kans.; airplanes and spare parts; \$12,043,865.

INFORMAL LETTER CONTRACT

Ferro Concrete Construction Co., Cincinnati, Ohio; construction of propeller test and torque stands at Wright Field, Ohio; \$1,100,000.

SUBCONTRACTS

Two contractors: Foley Brothers, Inc., St. Paul, Minn., and the Walbridge-Aldinger Co., of Detroit, Mich.; construction of Twin Cities Ordnance Plant, St. Paul, Minn.; \$17,661,925.

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Preference given to projects for dried egg production

The first of a series of project preference ratings designed to increase American production of dried eggs from the present level of approximately 12 million pounds annually to an annual capacity well in excess of 100 million pounds was issued August 22 by Priorities Director Stettinius, on recommendation of the Subsistence Branch, Division of Purchases, OPM.

The program was worked out with producers by the Surplus Marketing Administration of the Department of Agriculture, and is designed to meet British requirements under the Lend-Lease program of approximately 100 million pounds of dried eggs per year. American requirements including needs of the U. S. Army and Navy are estimated at about 14 million pounds for the coming year.

Trying to spread capacity

So far the great bulk of dried egg production has occurred in the Southwestern States including Texas, Oklahoma, and Missouri. Some expansion has taken place in that area, but in order to prevent excess drying capacity in relation to the available egg supply, the Government has encouraged increasing facilities in other sections of the country. New capacity is being developed in Illinois, Indiana, Iowa, Kansas, Minnesota, New York, Tennessee, Wisconsin, and Ohio. In all it is expected that between 35 and 40 new plants will be built.

Materials for which the priority rating is needed include comparatively small amounts of stainless steel and copper, some galvanized iron, and considerable equipment in the form of pumps, filters, pressure valves and the like. In most cases, the new facilities will be built with private funds. A rough estimate is that between \$50,000 and \$100,000 will be required for each project.

AGRICULTURE . . .

(Information furnished through Office of Agricultural Defense Relations,
U. S. Department of Agriculture)

South urged to grow own food and feed so U. S. can send more abroad

The South, long a deficit food and feed producing area, last week was urged to use the food-for-defense program to encourage production of more of its own needs so that food produced in other areas may be made available for use by nations resisting aggression.

The plea for more home-produced food was made before the Southern Training School, American Farm Bureau Federation, at Hot Springs, Arkansas, by Director M. Clifford Townsend, of the Office of Agricultural Defense Relations.

Excerpts follow:

The food-for-defense program is a part—one of the most important parts—of our all-out defense effort. Food is a defense weapon, one of the strongest we have. Without food, Britain and the other nations resisting aggression cannot continue to stand between the United States and the Hitler menace.

Price support promised

Under the plan, the Department of Agriculture has promised to support certain average prices for dairy products, hogs, chickens, and eggs. At the same time, the Department intends to maintain feed prices at levels which should make it profitable for farmers to convert our large feed reserves in the Ever-Normal Granary into food for defense.

Ordinarily, the cotton South would get little direct cash benefit from a program of this sort because, except in scattered areas, it does not produce the animal-protein food products on a commercial scale. On the other hand, if the program could be used as a stimulant for the production of food and feed needed on Southern farms, and in the towns of the South, it will have served a worthwhile two-fold purpose.

In the first place the South, long a deficit food and feed producing area, can use the food-for-defense program to encourage production of more of its own needs. By producing its own food and feed, the South can make available these products in other areas for use by the nations resisting aggression. In view of the very real need for more concentrated food products to feed these nations, the South, by producing more for its own needs, has an opportunity to make its contribution.

In the second place, the South could use the experience, the food and feed crops, the herds and the flocks gained in the food-for-defense program to help it to continue to adjust its economy after the war is over. If enough individual Southern farmers ever learn the peace of mind that comes with diversification, I feel certain that they will no longer depend entirely on cotton for a living. If real diversification could be achieved on a belt-wide basis, it would naturally

result in a tendency to put fewer acres in cotton.

With the increased emphasis being given nutrition in this country, there is no reason why the South shouldn't be able to increase its production of food and feed for home consumption. We have in this country the paradox of agricultural surpluses and hungry, ill-clad people. If we are ever able to put these two together we shall have a stronger, healthier, greater Nation. One way to make a good start in this direction would be to encourage the farm families of the South to produce their own home needs.

Government-owned corn offered to make alcohol for munitions

The Department of Agriculture, through the Commodity Credit Corporation, has offered to make 20 million bushels of Government-owned corn available to the War Department for the production of alcohol to be used in the manufacture of munitions. The offer was made in response to a request by the War Department for corn needed to meet the increased demand for alcohol in national defense.

Secretary of Agriculture Wickard said that "using corn in the manufacture of industrial alcohol will further the national defense effort by making available more alcohol and by freeing tanker space needed for the shipment of strategic materials; and will also aid the agricultural situation by removing surplus corn and making increased corn storage space available for the 1941 crop. Feed grain supplies are more than sufficient to meet requirements for the increases in livestock, dairy and poultry production sought under the food-for-defense program."

Would save 100 tanker trips

In making the request to the Department of Agriculture, the War Department pointed out the probability of a shortage of at least 50 million gallons of alcohol during the coming year unless additional sources and processes for producing this alcohol are developed. Approximately 50 million gallons of alcohol can be produced from 20 million bushels of corn.

The request also called attention to the fact that quantities of molasses imported by tankers are now used in manufacturing industrial alcohol. One hundred tanker trips are required to move 125 million gallons of molasses from Cuba to United States consuming centers. One hundred and twenty-five million gallons of blackstrap molasses will produce about the same quantity of alcohol as 20 million bushels of corn.

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Soil conservation program adjusted to defense

Soil-conserving goals to bring about more conservation on individual farms, and changes that will encourage increased production of commodities needed under the defense program, highlight the 1942 agricultural conservation program of the Department of Agriculture.

The goals, under which a minimum of cropland must be in soil-conserving crops, replace the total soil-depleting allotments and are one of the program's chief measures for encouraging greater use of soil-conserving crops. The total allotments are being eliminated in most of the country in order to promote increased acreages of crops called for by the defense program, but are being retained in designated surplus feed-producing areas to stabilize feed production. The program is administered by the Agricultural Adjustment Administration.

Farm machine repair gets defense rating; new equipment in highest civilian class

A broad plan directly affecting farmers and producers of farm machinery in all parts of the country, designed to speed the production of new farm equipment and facilitate the maintenance of existing machines, was announced August 22 by OPM Priorities Director Stettinius.

The new plan, known as the farm machinery and equipment rating plan, involves two preference rating orders. One order assigns a defense rating—A-10—to deliveries of materials necessary for parts for the repair and maintenance of existing farm equipment.

The other order assigns the highest civilian rating—B-1—to deliveries of ma-

terials (which appear on the Priorities Critical List) to a manufacturer who needs them for the production of new farm machinery.

Making effective a civilian allocation program issued by OPACS, the new plan is issued to make sure that there shall be no lack of the equipment required to produce crops, livestock, poultry, and other farm produce. At present, producers are experiencing difficulty in obtaining supplies for this kind of manufacture, which is of importance both for domestic and British food supply.

A manufacturer who is finding it difficult or impossible to obtain materials

necessary for the manufacture of new machinery, or of spare parts, and wishing to avail himself of the assistance offered by the plan, should make application to the Director of Priorities on Form PD-88. Provision is made on this form for applying for one or both of the ratings to be assigned under the plan.

The completed application should be forwarded to the Automotive, Railroad and Agriculture Equipment Branch, Office of Production Management, Washington, D. C.

Conservation to be required

To become eligible for the benefits conferred by the plan, the manufacturer must list the principal types of farm machinery and equipment or maintenance and repair parts which he manufactures. He will also be required whenever possible to use conservation measures, such as substitution, redesign and respecification, to eliminate the need for critical material, and to plan his production schedule in accordance with the relative urgency and national need for different kinds of farm machinery.

The order assigning the B-1 rating to materials for new machinery will expire on October 31, 1941. It is to be used by a manufacturer to obtain materials during August, September, and October in amounts not exceeding 20 percent more than the amount used in his production of farm machinery during the corresponding three months of 1939 or 1940, whichever was the higher.

Producer may extend ratings

The order assigning the A-10 rating for maintenance and repair parts for farm machinery will expire February 14, 1942.

The rating or ratings assigned to a producer may be extended to his supplier and in turn reextended by the first supplier to his supplier, if the assistance of the plan is necessary to make possible eventual deliveries to the producer.

Extensions of the original preference rating carry the same preference rating as the order under which they are extended, either B-1 or A-10.

While the Priorities Division will expect manufacturers who are experiencing no difficulties in obtaining material to continue to operate without the assistance of the plan, they believe that its proper use will assure to farmers a continuous flow of farm machinery and equipment, and of the parts necessary for their maintenance, without loss of efficiency or interference with the defense program.

Hand tools do not fall within the scope of the order.

Cotton textile industry confers on Agriculture's bagging needs

The Department of Agriculture has announced that a study is being made in cooperation with the cotton textile industry to determine how agriculture's bagging and packaging needs can be adequately supplied in 1942.

Agriculture, as the largest user of textile packaging materials, is vitally concerned over anticipated difficulties arising out of a probable reduction in imports of burlap from India. The prospective reduction is due to the shortage of shipping.

Defense officials meet

The problem was outlined in detail at an exploratory meeting held at the Department on August 19. The meeting was attended by representatives of the Cotton Textile Institute, the Office of Production Management, the Office of Price Administration and Civilian Supply, and the Department of Agriculture. David Meeker, Assistant Director, Office of Agricultural Defense Relations, U. S. D. A., presided.

It was pointed out that agriculture normally uses more than one and a quarter billion yards of packaging material annually. Agricultural uses cover a wide range. They include, among many others, bags for feeds, fertilizers, chemicals, and other materials coming to the farm, as well as bags for flour, potatoes, sugar, onions, cabbages, bagging for cotton bales and other products going from the farm.

Representatives of the textile industry agreed to explore the possibility of expanding the production of sheeting and osnaburg materials.

Cotton linters subjected to General Preference Order

Priorities Director Stettinius announced on August 20 a General Preference Order regulating the processing and distribution of cotton linters. This order puts into effect the program announced by the Office of Price Administration and Civilian Supply on July 31, 1941.

Cotton linters are the fibers adhering to the cottonseed hull after cotton has passed through a gin. They are essential to the manufacture of smokeless powder, plastics and acetate rayons. To date all defense requirements have been taken care of, but there is a shortage for the essential civilian uses. The order will prevent extension of this shortage to the military sphere.

The order prohibits the sale of second-cut cotton linters, or more than 20 percent of mill-run linters, for any purpose other than ultimate use in the chemical industry. It further requires all cottonseed oil crushing mills using two cuts in the production of cotton linters to regulate their processes so that first-cut cotton linters will not be more than 20 percent of the total cut.

A mill wishing to make a delivery of cotton linters in accordance with a contract entered into prior to July 31 may make application to the Director of Priorities for permission to do so.

Cotton linters, as defined in the order, include imported linters.

The order does not apply to the sales or deliveries to agencies of the Federal Government, or to the government of any country whose defense the President deems vital to the defense of the United States.

TRANSPORTATION . . .

1941 truck loadings resume climb, defying normal seasonal trend

Defying normal trends of previous years, the volume of revenue freight transported by motor truck in July increased 2.3 percent over June and almost equalled the all-time record established in May, according to reports furnished to Ralph Budd, Transportation Commissioner, by the American Trucking Associations. The July volume was 35.8 percent higher than that of July 1940.

Comparable reports were received from 206 motor carriers in 39 States. The reporting carriers transported an aggregate of 1,455,307 tons in July, as against 1,422,278 tons in June, and 1,071,685 tons in July 1940.

Almost 76 percent of all the tonnage transported in the month was reported by carriers of general freight. The volume in this category increased 3.7 percent over June, and 37.3 percent over July of the previous year.

Transporters of petroleum products, accounting for a little more than 10 per-

cent of the total tonnage reported, showed an increase of 9.1 percent over June, and an increase of 12.5 percent over July 1940.

Movement of new automobiles and trucks, constituting about 4½ percent of the total tonnage, declined 17.2 percent in July, as compared with June, but held 76.5 percent over July of last year.

Haulers of iron and steel products reported almost 4 percent of the total tonnage. The volume of these commodities decreased 3.7 percent under June, but represented an increase of 46.4 percent as compared with July 1940.

Slightly more than 6 percent of the total tonnage reported was miscellaneous commodities, including tobacco, milk, textile products, building materials, cement and household goods. Tonnage in this class decreased 3.8 percent under June, but held 12.9 percent over July of last year.

Public cold storage use above last August's

Figures released August 12 by the Agricultural Marketing Service of the Department of Agriculture show, in 200 public refrigerated warehouses on August 1, 46,000,000 cubic feet of vacant space of which 34,000,000 cubic feet is cooler and 12,000,000 cubic feet freezer space. This shows an occupancy of 57 percent in cooler, 75 percent in freezer, and 63 percent in combined refrigerated space.

Comparisons in percent of occupation follow:

August 1941: Cooler, 57; freezer, 75; combined, 63. July 1941: Cooler, 58; freezer, 69; combined 62. August 1940: Cooler, 55; freezer 69; combined 59. July 1940: Cooler, 52; freezer, 65; combined, 56.

Stocks of refrigerated products in public and private warehouses showed changes from August 1, 1940 as follows:

Frozen fruits..... Up 22 million pounds.
Frozen vegetables..... Approximately same.
Butter Up 55 million pounds.
Cheese Up 29 million pounds.
Shell eggs..... Off 1 million cases.
Frozen eggs..... Up 1 million cases (equivalent).

Frozen poultry.....Off 1 million pounds.
Frozen and cured meat.....Up 90 million pounds.
Lard Up 39 million pounds.

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CARLOADINGS INCREASE

Total revenue freight carloadings during week ended August 16 were 890,374 cars, an increase of 19.8 percent over the 743,050 cars loaded during the corresponding week in 1940. Loadings increased seasonally as compared to the preceding week.

CARLOADINGS—WEEK ENDED AUGUST 16

	1941	1940	Percent Increase
Grain and grain products.....	44,375	43,244	2.4
Livestock.....	10,930	12,833	14.8
Coal.....	167,714	135,211	24.0
Coke.....	13,490	10,609	27.2
Forest products.....	50,365	36,329	38.6
Ore.....	78,847	69,524	13.4
Merchandise l. c. l.....	156,256	149,864	4.3
Miscellaneous.....	368,397	285,336	29.1
Total.....	890,274	743,050	19.8
Cumulative 33 weeks.....	25,911,843	21,925,035	18.2

¹ Decrease.

ORE MOVEMENT

Reports from the four principal ore-handling railroads for the week ended August 16 showed they loaded into boats at upper lake ports 2,397,294 tons of ore as compared to 2,236,244 tons loaded during the corresponding week in 1941.

For the 1941 season of navigation to date these same railroads have loaded into boats a total of 44,550,186 tons as compared to 31,973,846 during the corresponding period of 1940.

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President approves building of 1,757 defense homes

President Roosevelt last week approved construction with public funds made available under the Lanham Act of 1,757 homes for families of industrial defense workers and enlisted personnel in 7 localities, upon the recommendation of C. F. Palmer, Coordinator of Defense Housing.

In addition, the President approved a 100-unit trailer project under the temporary shelter program.

Localities and number of homes in each for which public funds have been allocated are as follows:

Permanent (all recommended for construction by the Federal Works Agency)—Tuskegee, Ala., 30; Campo, Calif., 30; Long Beach, Calif., 485; Keyport, Wash., 300; Freeport, Tex., 200; Newport News, Va., 362; Rockford, Ill., 350.

Temporary—Umatilla, Oreg., 100, recommended for construction by the Farm Security Administration.

Two appointed to Clothing, Equipage and Textiles Branch

Purchases Director Nelson announced August 23 the following appointments:

Robert J. Dillon of New York, president of the Blue Ridge Overalls Co. of Roanoke, Va., to be chief of the clothing section in the Clothing, Equipage and Textiles Branch.

Kenneth W. Marriner of Boston, director and general manager of Winslow Brothers and Smith Co., Boston to be consultant on wool in the Clothing, Equipage and Textile Branch.

HOUSING . . .

\$100,000 provided for experts to help in remodeling quarters for defense workers

President Roosevelt has authorized the use of \$100,000 from his emergency fund to employ fee technicians to help home owners estimate the possibilities for repair and modernization to make extra accommodations available in their houses for defense workers.

This authorization follows a recommendation by C. F. Palmer, Coordinator of Defense Housing, and John H. Fahey, Chairman of the Federal Home Loan Bank Board.

For speed and economy

Speed and economy in providing homes for defense workers are the two principal goals in the program, according to Mr. Palmer. He estimated that 15,000 housing units can be supplied by modernization and conversion in areas where acute shortages exist, whereas the same number of the newly constructed units would cost approximately \$50,000,000 and take some months to complete.

The authorization will implement a Nation-wide service to help home owners repair and modernize their properties and make extra rooms and apartments available for rent to defense workers. Homes with unused space that could be converted into suitable living quarters will be inspected without charge by architects and technicians, and estimates of the cost of remodeling made free of charge. They will also estimate the amount of income that might be derived from the improved property.

Three reasons why owners should aid

The new program will be carried out through local Homes Registration Offices and Home Owners Loan Corporation offices, Mr. Palmer said. The HOLC will do as much of the technical work as possible with salaried employees, and the \$100,000 fund will provide for the employment of additional technicians.

"There are three major reasons for property owners to cooperate in this effort," said Mr. Palmer. "They will be contributing to the defense effort in a practical and effective way; they will derive new incomes from their properties, and they will improve the underlying value of those properties."

The HOLC's technical staff has directed the reconditioning of more than 550,000 homes in the past few years and

will call upon hundreds of fee technicians it has used in its own operations in every county of the United States.

During the last war, 350,000 housing units had to be made available for workers suddenly concentrated in defense areas, according to Mr. Palmer, and 185,000 of those units were supplied through existing houses.

Reimbursement by rent

"The expenses of remodeling will have to be borne by the property owners, of

course. Reimbursement will come from rent. If they decide to go ahead, they will be assisted in obtaining financing, and, if they wish the services of architects or technicians to carry out the job, then they can be obtained at a reasonable fee."

Mr. Palmer pointed out that an important objective of the program is the utilization of existing structures to avoid overbuilding in communities where defense activities now are concentrated but which may later decline.

"The more use we can make of present housing, the less danger there is of any real estate 'headaches' after the emergency," he said.

1,300 defense homes completed in week; 960 put under construction contract

Approximately 1,300 homes for defense workers and enlisted personnel were completed and 960 put under construction for the week ending August 16, C. F. Palmer, Coordinator of Defense Housing, announced.

Completions reported for the week include Tampa, Fla., with 101 homes; Savannah, Ga., with 250 homes; and Wilmington, N. C., with 150 homes. These homes were all constructed by the Public Buildings Administration for enlisted personnel. The United States Housing Authority completed 122 in Jacksonville, Fla.; 150 in Nashville, Tenn., and 96 at Bremerton, Wash., for the families of civilian and enlisted personnel.

Construction contracts were placed at Hartford, Conn., for 500 homes by the Federal Works Agency for civilian de-

fense workers. Also, 300 homes were contracted for by the Public Buildings Administration for civilian workers at Niagara Falls and 120 by the United States Housing Authority for enlisted and civilian personnel at Spartanburg, S. C.

Over 5,000 homes were started by private builders under FHA inspection during the week. As of August 16, approximately 110,000 homes had been allocated out of public funds for the families of defense workers and enlisted personnel. Of this number, 79,358 will house the families of civilian workers and 30,330 the families of enlisted personnel.

More than 80,000 homes have been put under construction contract in 157 localities and 47 States and Territories. Of these homes, 29,480 have been completed.

STATUS OF PUBLIC DEFENSE HOUSING CONSTRUCTION, AUG. 16, 1941

	Funds allocated		Contracts awarded		Completed	
	Aug. 16	Aug. 9	Aug. 16	Aug. 9	Aug. 16	Aug. 9
Number of States and Territories.....	49	49	47	47	35	34
Number of localities.....	171	171	157	154	87	85
Number of projects.....	420	420	295	261	123	118
Number of family dwelling units (regular).....	109,688	109,688	80,450	79,199	29,480	28,094
Civilian industrial workers in private defense industry.....	49,515	49,515	30,788	29,948	6,827	6,217
Civilian industrial workers in Government plants.....	19,201	19,201	15,597	15,597	4,194	4,133
Other civilians, employed by the Army and Navy.....	10,642	10,642	8,804	8,804	3,660	3,660
Married enlisted personnel.....	30,330	30,330	25,261	25,141	14,799	14,074
Number of family dwelling units (trailers).....	4,154	4,154	3,634	3,634	1,675	1,675
Civilian industrial workers in private defense industry.....	3,534	3,534	3,231	3,231	1,075	1,075
Civilian industrial workers in Government plants.....	620	620	400	400	-----	-----
Number of units for single persons.....	9,594	9,591	7,124	7,124	4,231	4,231

NUMBER OF NEW HOMES STARTED UNDER FHA INSPECTION

Jan. 1, 1941, through Aug. 16, 1941.....	137,072
Week ended Aug. 16, 1941.....	5,477

CIVILIAN DEFENSE . . .

New assistant director to have charge of enrolling women for civilian defense

Miss Eloise Davison, director of the Home Institute of the New York Herald Tribune and a nationally-known figure in the field of home economics, on August 23 was named by Mayor F. H. LaGuardia, Director of the Office of Civilian Defense, as assistant director. Miss Davison will be in charge of many of the volunteer activities in the civilian defense program, including enrollment of women in such services as air raid wardens, nurses' aides, drivers corps, and emergency food and housing.

Established courses in "household engineering"

Miss Davison is a native of Ohio. She was graduated at Ohio State University with the degree of Bachelor of Science; from Iowa State College, as Master of Science; and did post-graduate work at the University of Chicago, the Engineering School of New York University and the New York School of Social Research. She taught in the public schools in Cincinnati and later served as Home Demonstration Agent in Ohio and subsequently in the Department of Home Economics at Ohio State University. As associate professor at Iowa State College (Ames, Iowa), she established and directed graduate courses in household engineering.

Miss Davison at one time was home economics adviser and consultant in household engineering for the National Electric Light Association and director of the Domestic Electric Service Program for the Tennessee Valley Authority.

Miss Davison is a member of the American Home Economics Association, the

American Dietetics Association, the Society for the Advancement of Management, the American Association of University Women, the American Academy of Political and Social Science, Gamma Phi Beta, Phi Kappa Phi, and Sigma Alpha Iota.

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Dudley named chief of OCD Veterans' Division

Mayor F. H. LaGuardia, Director of the Office of Civilian Defense, announced August 18 the appointment of Henry H. Dudley, of Lincoln, Nebr., as chief of the Veterans' Division. Mr. Dudley, for many years active in the American Legion, has been "loaned" by the Legion to the OCD.

Mr. Dudley attended the Armour Institute of Technology. He enlisted in the Army in June 1917 and served overseas from July 1918 until October 1919, first as railhead officer in advance sectors and later in Coblenz, Germany. He was discharged in 1919, as a First Lieutenant.

A member of Omaha Post 1 of the American Legion, Mr. Dudley has served on the executive committee as Army vice commander and adjutant. He was appointed adjutant of the Department of Nebraska, December 31, 1929, and in September 1936 was named national field secretary of the American Legion. Mr. Dudley was named director of the Division of Defense at National Headquarters of the Legion in Indianapolis, July 1.

Menendez to direct civilian defense in 4th area

OCD Director LaGuardia announced August 22 approval by President Roosevelt of the appointment of Dr. Joseph C. Menendez, New Orleans, La., as regional director of the Fourth Civilian Defense Area with headquarters in Atlanta. Dr. Menendez retires on August 28 as commander-in-chief of the Veterans of Foreign Wars, to which post he was elevated at the last convention. He is a native of New Orleans.

Dr. Menendez enlisted in the Army in 1918, was commissioned a first lieutenant in the Medical Corps and as a surgeon with the 4th Battalion, 2nd Regiment at Camp Jackson, S. C. In August 1918 he sailed for Italy where he was attached to the Italian Field Hospital at Vicenza, Italy. He was decorated by the Italian Government for meritorious service in the World War.

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Metzenbaum named to inspect Ohio civilian defense activities

OCD Director LaGuardia announced August 22 approval by President Roosevelt of the appointment of James Metzenbaum of Cleveland, as inspector general of the Office of Civilian Defense in Ohio.

Mr. Metzenbaum, an attorney, has served as Ohio State Senator, member of the Cleveland Board of Education, and as special assistant to the Attorney General of Ohio. He also served as member of the Cleveland city plan commission.

OFFICE FOR EMERGENCY MANAGEMENT

WAYNE COY, *Liaison Officer*

CENTRAL ADMINISTRATIVE SERVICES: Sidney Sherwood, *Director*.

DEFENSE AID REPORTS DIVISION: Maj. Gen. James H. Burds, *Executive Officer*.

DEFENSE COMMUNICATIONS BOARD: James Lawrence Fly, *Chairman*.

DEFENSE HOUSING DIVISION: C. F. Palmer, *Coordinator*.

HEALTH, WELFARE, NUTRITION, RECREATION, AND RELATED DEFENSE ACTIVITIES: Paul V. McNutt, *Coordinator*.

INFORMATION DIVISION: Robert W. Horton, *Director*.

NATIONAL DEFENSE MEDIATION BOARD: Wm. H. Davis, *Chairman*.

OFFICE OF SCIENTIFIC RESEARCH AND DEVELOPMENT: Dr. Vannevar Bush, *Director*.

OFFICE OF CIVILIAN DEFENSE: Fiorello H. LaGuardia, *Director*.

OFFICE OF THE COORDINATOR OF INTER-AMERICAN AFFAIRS: Nelson Rockefeller, *Coordinator*.

OFFICE OF PRICE ADMINISTRATION AND CIVILIAN SUPPLY: Leon Henderson, *Administrator*.

CONSUMER DIVISION: In charge of Harriet Elliott, *Associate OPACS Administrator*.

TRANSPORTATION DIVISION OF THE ADVISORY COMMISSION: Ralph Budd, *Commissioner*.

OFFICE OF PRODUCTION MANAGEMENT: COUNCIL

William S. Knudsen, *Director General*. Sidney Hillman, *Associate Director General*. Secretary of War Henry L. Stimson. Secretary of the Navy Frank Knox. Secretary, Herbert Emmerich. General Counsel, John Lord O'Brien.

PRODUCTION DIVISION: John D. Biggers, *Director*.

PURCHASES DIVISION: Donald M. Nelson, *Director*.

PRIORITIES DIVISION: E. R. Stettinius, Jr., *Director*.

LABOR DIVISION: Sidney Hillman, *Director*. RESEARCH AND STATISTICS BUREAU: Stacy May, *Chief*.

DEFENSE



OFFICIAL WEEKLY BULLETIN OF DEFENSE AGENCIES IN THE OFFICE FOR EMERGENCY MANAGEMENT

WASHINGTON, D. C.

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VOLUME 2, NUMBER 35

"PRODUCTION . . to the limit of the Nation's resources"

(The following statement was issued September 2 by the Supply Priorities and Allocations Board after its initial meeting:)

THE PRESIDENT established the Supply Priorities and Allocations Board to speed all-out defense. The Board realizes the magnitude of its task. It recognizes as well that success requires a vigorous, united effort on its part together with unstinted cooperation from the public in accepting certain responsibilities necessary in the defense of our democratic institutions.

To hasten direct action along lines where action is needed, the Board today charted a general policy designed to broaden and accelerate the defense program and to make it more immediately effective.

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SPECIFIC ACTIONS will be announced promptly and full explanation given that there may be no doubt or confusion in the public mind concerning the Board's direction and destination.

Our general policy is simple. Production shall be stimulated and organized to the limit of the Nation's resources. Every available man and machine must be employed either on direct defense requirements or at work essential to the civilian economy. Along this road lies protection of our freedom and of the basic economy necessary to maintenance of that freedom.

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WE MUST FOREGO the less essential that we may have an abundance of the more essential. By less essential industry is meant those industrial activities involving use of materials and production facilities which sap supplies and machinery resources necessary to a realistic all-out defense program. In some cases this may involve only a part of an industry; in other cases it may involve several parts. Wherever possible to convert the less essential to military or essential civilian production this will be done. Every means will be employed to expedite this process with a minimum loss of time for men and machines. But the less essential must go.

This means cutting off the fat and hardening the muscles. The Board holds that defense comes first, and while recognizing that the civilian economy must be stripped of non-

essentials, it must be kept in good running order and in more than stand-by condition.

To achieve this twin purpose, the Board will devise promptly appropriate controls to assure equitable distribution of materials under a constructive system of priorities, the basic purpose of which is to assure the wisest use of all our resources for the task at hand.

Those materials, which may be hoarded in the cellars and attics of certain industries and traders, will be routed out and put to use where most needed in military and essential civilian production. In its allocations, the Board will consider existing supplies which have been bought in anticipation of future requirements. This means, of course, that the Board will assemble complete, detailed, and accurate statements of requirements as to military and essential civilian needs to guide its application and enforcement of priorities. It should be emphasized that the demands of military and essential civilian requirements of this hemisphere must be equally recognized and adequately provided for in allocating materials.

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SCARE BUYING against imaginary requirements of the future will be discouraged effectively. Real requirements are too immediate and urgent for us to tolerate the slightest diversion by speculators or others whose actions would destroy our policy of share and share alike the burdens and responsibilities which confront us.

The Board hopes to be able to announce by next week the means adopted to carry out this purpose. There will also be announced shortly a plan for conservation on a national scope of all scarce materials needed in defense production.

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THE GOAL our country must reach to perpetuate our freedom and to assure victory for all who share our democratic philosophy means sacrifice. But we must make certain that sacrifices are not imposed because we are wasteful; because we fail to look ahead or because proper use is not made of all available materials, men, and machines. For this reason, it is the Board's intention to state publicly the basis of each important step taken, insofar as that may be done without affecting our military security adversely.

Review of the Week in Defense

Two major OEM agencies were reorganized last week by Executive order of the President to facilitate the fixing of priorities and the allocation of materials and supplies to both defense and civilian industries.

Created was the Supply Priorities and Allocation Board. Vice President Wallace, who previously had been appointed head of the Economic Defense Board, was appointed chairman. Donald Nelson, formerly OPM Purchases Director, became executive director, as well as Priorities Director in-OPM.

Coordinating civilian and defense priority allocations, the order created a Civilian Supply Division within OPM and placed its director, Leon Henderson, on the new board. The lend-lease program was brought more closely into the defense organization by the appointment of Harry L. Hopkins, special aide to the President, to the board. The 4-man OPM council makes up the remaining members.

OPM reorganized

OPM Director General Knudsen a day later announced that OPM will function hereafter through six divisions—civilian supply, labor, materials, priorities, production, and purchases—and predicted the OEM reorganization will expedite defense production.

OPACS became OPA as its functions were restricted to price administration. The consumer division was retained, and all price schedules were continued in effect.

The common interests of British and American labor became the keynote of a radio program on Labor Day when the President, the British Minister of Labor, Ernest Bevin, OPM Associate Director Hillman, and spokesmen for the AFL and CIO spoke.

Great Lakes ship stabilization

Meanwhile, the Great Lakes area was brought into the Nation-wide wage-hour stabilization program of the OPM Labor Division.

An emergency national committee on automobile employment was set up to tackle the problem of reemployment and

retraining of auto workers forced out by curtailed production.

Chairman William H. Davis, of the National Defense Mediation Board, stated at a press conference that "the emergency should not be used either to build up or tear down unions" as the board obtained two agreements and recommended terms of settling two other cases. Back to work went 3,000 employees of U. S. Gypsum Co. in 17 plants at the board's request.

Steps to save metal

As the shortage of materials intensified the need for conservation, substitution, and simplification, the newly created OPM Conservation Bureau asked bicycle manufacturers to reduce the number of models.

The OPM-sponsored campaign to obtain more scrap metal from jalopies, started in Ohio, prepared to move this week into Chicago, St. Louis, and Kansas City, Mo.

Price Administrator Henderson released a table of "fair maximum" retail prices for "regular" gasoline, advised motorists to pay no more, and asked co-operation of mayors in keeping prices at those levels.

Adequate medical service

The task of assuring adequate medical services for civilian defense was tackled by the Office of Civilian Defense and the Office of the Coordinator of Health, Welfare, and Related Activities.

OCD issued the first of a series of pamphlets telling volunteer organizations how to form emergency medical field units. Security Administrator McNutt disclosed plans for mobilizing physicians and dentists to meet unusual demands created by the defense effort.

The American Civil Defense Mission returned from a trip to England and reported to OCD Director LaGuardia on various phases of civilian defense employed in Britain.

The OCD and OPM jointly announced that 6,700,000 pounds of "pots and pans," part of the metal donated in the recent aluminum drive, had already been allocated to smelters.

Recognizing the importance of scientific research in defense, the Priorities Division gave a high rating to equipment needed by research laboratories. Five preference orders were issued to restrict the distribution of six chemicals essential to defense. Manila fiber and cordage were placed under full priority control.

Control of tungsten—vital to the manufacture of high-speed cutting tools—was tightened by joint order of the Divisions of Priorities and Civilian Supply.

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DEFENSE PROGRESS

MANPOWER

United States Army, Aug. 29----	1,576,400
Navy and Marine Corps, Aug. 1----	340,931
Nonagricultural workers, July----	39,241,000
Percent increase since June 1940-----	10.8
Sixteen defense industries, July----	2,541,000
Percent increase since June 1940-----	53.7

FINANCE

June 1940-August 31, 1941 (Preliminary)

Authorized program-----	\$58,357,000,000
Army-----	24,607,000,000
Navy-----	16,978,000,000
Other agencies-----	14,772,000,000

PRODUCTION

July 1940-August 31, 1941 (Estimated)

Paid on contracts-----	\$7,242,000,000
Military aircraft in July----	1,460
Combat vessels in July-----	20
Merchant ships in July-----	8

Week ended August 23

	Strikes	Workers
Significant defense strikes in progress during week--	9	35,400
Number settled-----	3	20,900

COMBAT VEHICLE OUTPUT

Tanks, Scout Cars and Personnel Carriers

(1941 compared with 1940)

JULY-DEC.
AVERAGE
1940



JAN.
1941



FEB.



MAR.



APRIL



MAY



JUNE



DEFENSE

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Supply Priorities and Allocations Board created; defense reorganized to conform

President Roosevelt on August 28 ordered the creation, within the Office for Emergency Management, of a Supply Priorities and Allocations Board. The board's duties will be to divide available materials, power, fuel, and other commodities between military needs, defense-aid needs and the total civilian needs of the United States; and to allocate supply among the different civilian uses. OPM will administer the program. Other related changes were made in the defense organization as outlined in the following statement from the White House:

The President today by Executive Order established machinery for fixing priorities and allocation of the supply of materials, fuel, power, and other commodities of all kinds in the United States. The Executive Order takes cognizance of the fact that in many strategic materials, the priorities which must be given to the manufacture of materials for the Army and Navy and for the use of defense-aid to Great Britain, Russia, China, and the other countries resisting aggression, will necessarily create a shortage for civilian use in the United States.

Dividing available supplies

The machinery set up, therefore, is charged with the duty not only of dividing the available supply of materials between military needs, defense-aid needs, and the total civilian needs of the people of the United States; but also will equitably allocate the supply between the different civilian industries and users in the United States. It also will have the power to determine the amount to be allocated to the needs of economic defense recently assigned to the committee of which Vice President Wallace is Chairman.

The instrumentality for making these priority and allocation decisions, under general defense policies laid down by the President, is a board composed of the existing Board of OPM, namely the Secretary of War, the Secretary of the Navy, William S. Knudsen and Sidney Hillman, and three additional officials, namely the Price Administrator, Leon Henderson, the Special Assistant to the President supervising the Lend-Lease Program, Harry L. Hopkins, and the Chairman of the Economic Defense Board, Vice President Wallace. Donald Nelson will be the Executive Director of

the board and also will serve as Director of the Priorities Division of OPM. Vice President Wallace will be the Chairman.

The name of the enlarged board will be the Supply Priorities and Allocations Board.

These seven men, subject to the general policies enunciated by the Presi-

NEW OPM ORGANIZATION

The Office of Production Management will hereafter function through six divisions, William S. Knudsen, Director General, announced August 29.

The divisions and their directors are:

CIVILIAN

SUPPLY.....Leon Henderson
LABOR.....Sidney Hillman
MATERIALS.....William L. Batt
PRIORITIES.....Donald M. Nelson
PRODUCTION...W. H. Harrison
PURCHASES....Douglas L.
MacKeechie

Commenting on the transfer of John D. Biggers and Edward R. Stettinius to new posts, Mr. Knudsen and Mr. Hillman, Associate Director General, said:

"We regret the transfer of Messrs. Biggers and Stettinius, who have done so much to get their respective divisions organized, and we want to extend our sincere wishes for their success in their new and important positions."

dent, periodically and whenever necessary, will fix the amount of materials to be allocated to military needs, defense-aid needs, economic warfare needs, and total civilian needs.

To be administered by OPM

In the general field of civilian needs, this group will make policies and regulations for the allocation of the available supply of materials between the different competing civilian industries and users. To illustrate, if the commodity involved is steel, this Board will determine upon policies and regulations under which steel will be allocated, first for materials required by the Army and Navy of the United States, and then for the defense-aid needs, economic warfare needs and civilian needs. When the total amount determined for civilian needs is arrived at, this Board will determine the policies and make regulations

for the amount to be allocated to automobiles, railroad cars, refrigerators, building, typewriters, etc. The actual administration of these policies by way of issuance of priority certificates for the various purposes, will be carried on through the appropriate divisions of OPM. It is, of course, not contemplated that this Board actually will pass on specific priority applications which are filed by the thousands every week. That will continue to be done in the Priorities Division under Donald Nelson. Only broad policies and general regulations for priorities and allocations will be determined by the Board; and pursuant to these policies and regulations the actual day-by-day administration of specific priorities will be carried out by the Priorities Division.

Donald Nelson has been appointed Director of the Division of Priorities of OPM, succeeding Edward Stettinius who has been selected by the President as Lend-Lease Administrator. In this capacity he will have administrative charge of the Lend-Lease Program. Harry L. Hopkins will continue to serve in a supervisory capacity, as Special Assistant to the President, over all defense aid by the United States.

Civilian Supply Division

There is also set up in OPM a separate division to be coordinate with the existing divisions of OPM (procurement, production, priorities and labor), to be known as the Division of Civilian Supply. The head of this division will be Leon Henderson. The function of this division will be to initiate the plans and programs for civilian allocation, which will be submitted through the Office of Production Management to the new Board of seven for final approval or amendment.

In this way there will be brought together around one table the agencies which have a major responsibility in distributing the available supply of materials in the United States. The supply of materials will be allocated among military needs, defense-aid needs, economic warfare needs and civilian needs. At the same time the work of the Board will be closely tied-in with production in OPM; for priorities and allocations are an essential part of the entire production process and cannot be regulated or administered independently of production.

Board to sit with President

The Board will have jurisdiction to determine the total requirements of materials and commodities needed respec-

tively for defense, civilian, and all other purposes; and to establish policies for the fulfillment of such requirements, and, where necessary, make recommendations to the President relative thereto.

It is expected that from time to time this Board will sit with the President.

The Board, of course, will have no power to determine the distribution of finished matériel—such as planes or guns or ships. Its jurisdiction will extend only to the materials, parts, machine tools, etc., required for their manufacture.

Office of Price Administration

The function of price fixing will remain where it is now placed—in the Office of Price Administration, and the name of the existing Office of Price Administration and Civilian Supply is changed to the Office of Price Administration. The personnel, records, etc., now in the Office of Price Administration relating to civilian allocation will be transferred to the Office of Production Management to be located in the Division of Civilian Supply in the Office of Production Management. In this way, the general policy governing civilian supply allocation has been placed in this new Board and the function of price administration has been left in the old office of OPACS.

John D. Biggers, Director of the Division of Production in OPM, is being sent to London to work with the rank of Minister with W. Averell Harriman in their task of facilitating and expediting material aid to the British Empire.

Biggers' particular assignment will be in connection with synchronizing British and American production. His experience in OPM makes him uniquely equipped for this work.

He will return to the United States from time to time to report, and to collaborate with Harry Hopkins and Edward Stettinius in carrying out the results of his studies.

Industry committees consolidated

The various industry committees now existing in OPM and OPACS will be consolidated; so that on questions of priorities, allocation, and production, the various industries of the country will have one unified contact with the Government rather than a divided point of contact.

This new and expanded machinery has been worked out in conference, and with the voluntary cooperation of OPM, OPACS, the Secretary of War, and the Secretary of the Navy.

"Some dislocation"

The necessities of granting priorities in materials of which there are present shortages will result in some dislocation—in some shutdowns or curtailment of work in some factories which manufacture nondefense materials. The Office of Production Management is seeking to alleviate the resulting hardships in two ways: First, by promoting subcontracting and "farming out" of defense orders among smaller industries; and second, by helping nondefense plants place themselves in a position to take defense orders by minor changes in equipment and machine tools.

The Labor Division of OPM has set up committees consisting of representatives of management, labor, and Government to deal energetically with such situations.

PRICE AND CONSUMER ACTIVITIES UNCHANGED

All price schedules issued by the Office of Price Administration and Civilian Supply remain in full force and effect regardless of the change of name announced in the President's Executive order of August 28, Leon Henderson, Administrator of the Office of Price Administration, announced August 30.

At the same time Mr. Henderson explained that activities of the Consumer Division of the Office of Price Administration will not be affected by the transfer of civilian allocation work to the Office of Production Management.

"The Executive order," Mr. Henderson said, "merely provides that the title of the Office of Price Administration and Civilian Supply shall be changed to Office of Price Administration. It does not affect in any way the powers of the agency in regard to price control. Consequently all price ceiling schedules issued and all other action taken by this agency under the prior name remain fully effective under our new name."

Miss Harriet Elliott continues as associate administrator of OFA, Mr. Henderson stated. In that capacity Miss Elliott will continue to direct the broad program of activities which she has developed to protect the interests of consumers during the emergency.

New Army agency begins spread-the-work contracts

The War Department announced August 23 the authorization for the first contract to be awarded upon advice of the Contract Distribution Division, recently created in the Office of the Under Secretary of War. This new agency, giving effect to an arrangement with the Navy Department and OPM, is designed to meet the vital two-fold problem of distributing the defense load among smaller producers so as to bring more facilities into defense production and to reduce widespread and disastrous unemployment at plants whose normal output has been shut off through emergency diversion of raw materials to defense needs.

The contract, calling for 1,000,000 cases for 37-millimeter shells, has been authorized by the Chief of Ordnance for award to the Aluminum Goods Manufacturing Co. of Manitowoc, Wis. This firm, employing some 4,000 people, forms the chief source of employment in the town; it faced an imminent shutdown due to the aluminum shortage and the priority control of this raw material. The Aluminum Goods Manufacturing Co. formerly made such articles as trays and tea kettles.

The Contract Distribution Division, headed by Lieut. Col. Ray M. Hare, will serve as a point of reference in the Office of Under Secretary of War, Robert P. Patterson for interviews and correspondence, but is directed to perform its functions by advice and assistance to the supply arms and services of the Army and their respective procurement offices in the field. These local district offices, and not Washington, therefore continue to be the primary points of contact for manufacturers desiring defense contracts.

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Military to replace amateurs on 3800-3900 kilocycle band

Temporary cessation of amateur activities in the 3800-3900 kilocycle band, effective December 20 or sooner, if necessary, was ordered by the Federal Communications Commission pursuant to its announcement of July 29 that frequencies would be temporarily withdrawn from the amateur service to make them available for the training of many thousands of additional aircraft pilots in the large number of new airfields throughout the United States.

PRODUCTION . . .

OPM tank unit loaned to Army to arrange facilities for great expansion

The tank unit of OPM is being loaned to the Ordnance Department of the War Department to assist in carrying out swiftly the greatly increased tank program requested recently by President Roosevelt.

Announcing this August 23, Production Director Biggers, OPM, said the arrangement would result in unified control of tank production in this country for both the United States Army and the British.

This unified supervision was agreed upon by OPM, the Ordnance Department and British authorities as the best means of expediting the expanding tank program, which is expected to reach \$1,000,000,000-a-year proportions in 1942.

The tank unit, headed by W. W. Knight, Jr., was formerly in the Ordnance Branch of OPM under E. F. Johnson. It is being made a part of the Ordnance Department's newly created Tank and Combat Vehicle Division headed by Lt. Col. John K. Christmas.

The tank unit of the Ordnance Department formerly was a subdivision of that Department's Artillery Division.

Army men gratified

The loan of OPM's staff of production men was welcomed by Maj. Gen. C. M. Wesson, Chief of Ordnance, who wrote Mr. Biggers as follows:

"I wish to express my appreciation to you and Mr. Knudsen for arranging things so that the Ordnance Department will have the services of this highly competent group in connection with the tremendous tank and combat vehicle program."

Col. Christmas also expressed gratification at the arrangement.

"The greatly expanded tank program is a big job," he said, "and the OPM is lending us exactly the additional assistance we need—experienced business and production experts. I am sincerely thankful for this help."

Will arrange added facilities

The unit loaned by OPM will be concerned especially with arranging for additional facilities to handle the increased tank program.

The first supplemental national de-

fense appropriation bill, passed by Congress recently includes \$2,888,980,486 for additional ordnance items, including a substantial sum for tanks.

Medium (30-ton) tanks are already being produced in quantity by the Chrysler Corporation, Detroit; American Locomotive Co., Schenectady, N. Y.; Baldwin Locomotive Works, Chester, Pa.; Pullman Standard Corporation, Ham-

mond, Ind., and Pressed Steel Car Co., Chicago. An additional company, the Lima Locomotive Works at Lima, Ohio, is scheduled to begin production of medium tanks this fall.

Light (13½-ton) tanks are being made by the American Car and Foundry Co. at Berwick, Pa., and St. Charles, Mo. This firm recently completed its 1,000th tank.

Other armored vehicles are in quantity production by White Motor Co., Cleveland, Ohio; Diamond T Motor Co., Chicago, and Autocar Co., Ardmore, Pa.

First industry-wide request for reduction of models goes to bicycle makers

A voluntary program to conserve materials and manpower for national defense by simplification of design, substitution of materials, and a reduction of the number of bicycle models has been requested by the Conservation Bureau of OPM.

In a letter sent to eleven bicycle manufacturers, Robert E. McConnell, chief of the Conservation Bureau, asked producers to adopt the following measures:

1. Reduce the number of models to a maximum of 10 for each manufacturer. The number of models presently being turned out ranges from about 20 to as many as 40. Juvenile and racing models, under this program, probably will be discontinued.

Metallic decorations eliminated

2. Eliminate all chrome, copper, nickel, and metallic finish for decoration. No estimate is available of the possible savings of these materials but it is expected to be considerable.

3. Reduce the average weight per bicycle by 10 percent of the average weight of 1940 models. This will be accomplished largely by the removal of nonessential equipment and decorative trim.

4. Substitute reclaimed rubber for raw rubber wherever possible.

5. Eliminate white sidewall tires. It is estimated that the elimination of white sidewall tires will reduce the consumption of rubber in the bicycle industry by about 20 percent.

In last war there were 3 models

This program represents the first direct action by OPM to effect savings

throughout an entire industry by reduction of nonessential models. It was discussed at a meeting the previous week between Mr. McConnell and bicycle manufacturers, parts suppliers, and retailers. It was generally agreed that the plan is practicable and would be beneficial not only to the defense program but to the industry.

During the World War bicycle models were reduced to three, and such features as fancy bars, stands, truss type forks, and so forth, were eliminated. It was estimated that 2,265 tons of steel were saved by such eliminations and simplification of models.

The bicycle industry produced a record number of approximately 1,325,000 bicycles with an approximate value of \$25,000,000 during 1940. It is estimated that there are about 10,000,000 bicycles in operation in the country today.

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Stocking makers urged to order nylon in 30 and 40 denier sizes

The special joint OPM-OPACS Commodity Section on Silk announced August 27 that hosiery manufacturers using nylon can help to alleviate the situation caused by the cessation of silk imports by ordering nylon in 30 or 40 denier sizes only. It was explained that a temporary situation exists under which these types can be made available in larger quantities than any other denier sizes.

PRIORITIES . . .

Producers must accept defense orders and put them ahead, under new basic regulation

A series of broad rules and regulations which will apply to priorities orders and actions was issued August 28 in a new basic document—Priorities Regulation No. 1—by OPM Priorities Director Stettinius.

Most important provision of the regulation is that which requires all manufacturers and producers to accept defense orders (subject to a few specific limitations) even if acceptance of these orders will prevent, or delay, deliveries on non-defense orders or defense orders with lower preference ratings.

Defense orders are defined and a requirement that defense orders be accepted is set forth in a six-point formula. This formula is similar to that which appeared for the first time in the pig-iron priority order, but it is now provided that the requirement applies to all manufacturers, producers, distributors and dealers, in whatever category.

To be cited by number in future orders

Since the new regulation lays down a general framework for priorities compliance, future orders issued by the Division will merely cite Regulation No. 1 and will not repeat the full text of the requirements.

However, the specific provisions of any existing or future order issued by the Director of Priorities will control when in conflict with the general provisions of Regulation No. 1. In the absence of such a conflict, Regulation No. 1 will always be applicable to any priorities order.

Summary of provisions

The following is an informal summary of major provisions of the new regulation:

(1) The regulation provides a system under which any defense customer for any material, who is unable to place his order satisfactorily, or whose delivery is delayed, may bring this matter formally before the Director of Priorities who will take appropriate action.

(2) The Director may assign preference ratings to orders which have been placed or which have not been placed, and

he may also issue binding instructions regarding deliveries, without assigning preference ratings.

(3) Any person who has defense orders on hand must so schedule his production that deliveries under defense orders will be made on the dates required.

(4) Delivery dates specified in defense orders must not be earlier than required.

(5) Any allocations of material ordered by the Director may be made without regard to preference ratings which may have been assigned to deliveries under particular contracts or purchases, and in such cases specific allocations will take precedence over individual preference rating certificates or blanket ratings.

(6) Intra-company deliveries, except when otherwise specified, are to be subject to the same restrictions which may apply to inter-company deliveries.

(7) Accumulation of excess inventories is prohibited.

(8) All records required to be kept by priority orders are to be open to audit and inspection by representatives of OPM.

(9) Any person making willful false statements may be deprived of deliveries of material; in cases where such action is warranted, the Director may also recommend prosecution under section 35 of the Criminal Code (18 U. S. C. 80).

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Warehouse receipt transfers permitted for raw silk

E. R. Stettinius, Jr., Director of Priorities, issued August 27 an interpretation of General Preference Order M-22, issued on July 26, 1941, which froze all supplies of raw silk.

While the order prohibits the physical delivery of raw silk from one person to another, or from one location to another, the official interpretation explains that changes of title by transfers of negotiable warehouse receipts is permissible, provided no change takes place in the custody or location of raw silk stocks.

This interpretation will facilitate the balancing of their accounts by owners of warehouse stocks of raw silk. It does not affect raw silk in the possession of mills.

Health supplies made eligible for A-10 rating

To assure a plentiful flow of essential health supplies into civilian channels, as well as for military uses, Priorities Director Stettinius announced August 25 the Health Supplies Rating Plan.

Accompanying the order which puts the plan into effect is a list of fourteen categories covering medical, surgical, and dental essentials necessary to public health to which an A-10 rating may be assigned. This list was drawn up by the Health and Medical Committee of the Federal Security Agency, the Office of Price Administration and Civilian Supply, and the Health Supplies Section of the Office of Production Management, in consultation with the Army and Navy Munitions Board.

Must write for form

A manufacturer wishing to avail himself of the assistance offered by this plan should make written application to the Health Supplies Section, Office of Production Management, Washington, D. C., for Form PD-79, "Report of Requirements for Scarce Materials," and at the same time file a complete list of all the finished articles he manufactures which may be covered by the plan.

In order to qualify under the plan, a producer must manufacture one or more of the articles appearing on the Health Supplies List. If the manufacturer's application is granted, the priority rating of A-10 will be assigned to his orders for those scarce materials which he has been unable to obtain. If his supplier in turn requires the assistance of the same rating to make possible his delivery to the producer, the order may be extended to assure ultimate delivery. All extensions of the order carry the same rating, A-10.

The list of health supplies to which this order currently applies is as follows: 1. Adhesive plasters; 2. Anaesthesia apparatus and supplies; 3. Biologicals, antitoxins and serums; 4. Clinical thermometers; 5. Diagnostic instruments; 6. Hospital laboratory equipment and supplies; 7. Hospital operating room equipment; 8. Hypodermic syringes and needles; 9. Instruments (surgical & dental); 10. Medicinal chemicals (limited to medicinal use only); 11. Rubber hospital sundries; 12. Sterilizers, hospital; 13. Surgical dressings; 14. X-Ray equipment and supplies (medical and dental).

A-2 rating given to research laboratories

The great importance of scientific research to the defense program and to the public at large was given official recognition August 30 in an order signed by E. R. Settinius, Jr., Director of Priorities, granting the high defense priority rating of A-2 to equipment needed by research laboratories.

The Priorities Division has secured the assistance of the National Academy of Sciences in the operation of the new Research Laboratories Supplies Plan. The Academy will advise upon applications from laboratories for assistance under the plan.

A laboratory experiencing difficulty in securing essential materials, and wishing to qualify for the A-2 rating, should apply to the Chemical Branch, Office of Production Management, Washington, D. C., on Form PD-88.

Can extend to subsuppliers

The preference rating may be extended as far as necessary to assure ultimate delivery of scarce materials to the laboratory. A laboratory, when applying for the rating, should specify the number of copies of the order which will be necessary to enable its suppliers to serve them upon their own subsuppliers. No extensions of the rating to suppliers will be made directly by the Priorities Division. This must be done by the laboratory itself.

In the event that the laboratory finds itself unable to obtain some essential material with the A-2 rating, it should file an application with the Priorities Division on Form PD-1. If the research project is deemed of sufficient importance, the Priorities Division will issue an individual preference rating certificate, assigning a higher rating to a particular delivery of specified material.

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Deadline past, some reports of pig-iron inventory lacking

Consumers of pig iron who have not yet filed their required inventory reports on form PD-70 must do so immediately, it was said August 25 by the Iron and Steel Branch of OPM.

Under the terms of the pig iron order, consumers of the metal were required to file inventory reports by August 15.

A number of these reports have not yet been received.

2 alcohols, 2 potassium compounds, and toluene put under full priority control

The Priorities Division on August 30 took six actions affecting the distribution of certain chemicals essential to national defense.

Five new General Preference Orders were issued. These place under full mandatory priority control all supplies of ethyl alcohol, methyl alcohol, potassium perchlorate, potassium permanganate and toluene.

Formaldehydes, resins under full control

In addition to these new orders, an amendment was issued to General Preference Order, M-25, which placed the formaldehydes and synthetic resins made from them under full priority control.

The two alcohol orders provide that defense orders for these products must be accepted, and shall be assigned a preference rating of A-10, unless a higher rating is specifically assigned. Both of the alcohols are essential to the making of explosives, and methyl alcohol has further uses in the plastics which may be used as substitutes for metal parts in airplanes.

The same preference rating of A-10, and the requirement that defense orders be accepted, apply to the two potassium compounds. Potassium perchlorate is used in making flares for aviation and ordnance use. Potassium permanganate is essential as a purifier for metal alloys, which are, of course, of vital importance in the defense program.

Toluene assigned A-10

Toluene is used in making TNT and DNT, high explosives essential in the military field. There is a great demand for this product from the governments of foreign countries whose defense the President has deemed essential to the defense of the United States, and from the Army and Navy. This, together with the huge quantities of certain grades of toluene used in the lacquer and varnish industries, has created a scarcity.

The A-10 rating is assigned to all deliveries of toluene under defense orders, which must be accepted and filled ahead of all other orders.

For radio cabinets—B-8

The amendment to the formaldehyde order assigns a rating of B-4 to deliveries of synthetic resins essential to the civilian articles enumerated in Classification 1 of the original order, and the rating of B-8 to those in Classification 2.

The amendment further provides for the assignment of the B-8 rating until September 30, 1941, on deliveries of synthetic resins molding powder to radio manufacturers in an amount not exceeding 75 percent of a manufacturer's requirements, for molded radio cabinets for September, if these requirements were covered by firm order on or before August 23, 1941.

It further permits, until September 30, 1941, radio manufacturers who produce their own synthetic resins molding powder to use up to 75 percent of the amount scheduled prior to August 23, 1941, for September use.

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Manila fiber and cordage under full priority control

Manila fiber and manila cordage were placed under full priority control on August 30 by the Division of Priorities to conserve the available supply and imports of this fiber for vital national defense needs.

The order sets up three classes of cordage—Class A, the best grade; class B, next best grade; and class C, which must contain no more than 50 percent manila fiber—and stipulates that manila fiber may only be processed for these three uses.

The better classes of manila cordage—Class A and class B—may only be processed for sale or delivery to certain specified uses, the order provides. These uses are:

Defense orders; marine use for ships, towing, commercial fishing, and on inland waterways; oil lines—for use as drilling cables, catlines, spinning lines, and torpedo lines; mining—for use for hoisting and transmission of power.

Class C cordage may be sold without restriction, and therefore, will be available for civilian uses. Since it contains only 50 percent manila fiber, it will not interfere with conservation.

Manila fiber (abaca) is grown only in the Philippine Islands. It is essential for naval rope and for other defense purposes.

There is a shortage of manila fiber for these purposes and stockpiles held by the industry and by Federal agencies are to be increased.

PRICES AND CIVILIAN SUPPLIES . . .

Fair maximum retail gasoline prices quoted by OPACS as dealers boost margin

Moving to provide price standards for the protection of motorists and service station operators during the period of curtailed gasoline supply in the Northeastern and Middle Atlantic States, a table of fair maximum retail prices for "regular" gasoline in 40 major cities in this area was made public August 28 by Leon Henderson, administrator, Office of Price Administration and Civilian Supply.

Action was taken following widespread increases in retail prices. These increases, which have ranged from one to two cents per gallon, result from a widening of dealers' margins and not from increases in the tank wagon prices at which suppliers sell to service stations. The situation developed as an outgrowth of the 10 percent curtailment of gasoline supplies in the Atlantic coast area. This curtailment, in turn, has resulted from increased use of tankers moving oil products from the Gulf for transport of gasoline destined for Great Britain.

Many prices expected to be lower

The retail prices tabulated by OPACS are designed to serve as a guide to both motorists and service-station operators. They are the maximum prices which motorists should pay. It was expected that in many cases initial prices will be below those listed, particularly over the Labor Day week end.

On the one hand the tabulations will enable motorists buying gasoline in these 40 cities to determine whether advantage is being taken of them by dealers. It is hoped that motorists will protest vigorously against prices higher than those listed for these cities. Motorists are invited to report by letter to OPACS any cases in these cities where they are charged more for "regular" gasoline than the prices listed. Prices for grades other than "regular" gasoline are expected to be maintained at their normal differentials.

Coverage to be extended

It is planned to extend coverage of the table of prices as rapidly as possible to smaller cities in the Atlantic coast area though for the most part these will conform to the prices for the nearest large city. This will be done first for cities in Massachusetts where prices have risen

more generally in the past few days than in other areas.

The retail prices listed for each city are the aggregate of the following three cost factors: (1) the tank wagon price now being charged by major oil companies; (2) State and Federal taxes now in effect; and (3) a uniform dealer margin of four cents per gallon.

For most of these cities the retail prices listed are those which prevailed August 1. The current upswing had not started on that date. In a few cities the prices

listed are higher than those prevailing August 1. In these cities price wars were causing unusually low prices and correspondingly reduced dealer margins on that date. It is not the policy of the OPACS to insist on the continuation of such distress prices. This is in line with the policy of helping the small operator to remain in business during the present difficult period.

The prices listed for Richmond, Philadelphia, New York City, Boston and most other Massachusetts cities are lower than those now being charged by most dealers. In those cities motorists may properly expect service-station operators to bring prices down to those listed and should urge the operators to do so.

Tank wagon prices not raised

The tank wagon prices used in making up the retail prices are those which have prevailed for the past several months. The major companies have an informal agreement with OPACS not to raise these tank wagon prices without prior consultation with that agency. The companies, in accordance with that understanding, have not raised their tank wagon prices.

State and Federal gasoline taxes added in determining the retail prices are fixed by statute and are not affected by the current demand-supply situation.

The dealer margin, or the difference between what the dealer pays and what he sells for, of 4 cents per gallon is considered reasonable at this time. This margin is lower than that now prevailing in most areas where increases in retail prices have occurred in the last few days, but is higher than the margin prevailing in many cities prior to curtailment of supplies.

This margin of four cents is believed justified by the lower volume of sales on which stations will have to operate as long as supplies are curtailed. However, it is not intended to serve as a standard when the emergency is over.

Mr. Henderson urged all motorists to familiarize themselves with the prices for their areas as listed. Those traveling between cities along the Eastern seaboard should carry with them a copy of the price list. "The first step in preventing unjustified increases," he said, "is a properly informed consuming public. Today's action places in the consumer's hands the information essential for his own protection."

FAIR MAXIMUM RETAIL SERVICE STATION PRICES "Regular" gasoline (Dealer's margin in each case is 4 cents)			
Location	Tank wagon price	Taxes State and Federal	Fair maxi- mum retail service station price
	Cents	Cents	Cents
Portland, Maine....	9.6	5.5	19.1
Manchester, N. H....	10.6	5.5	20.1
Burlington, Vt....	10.2	5.5	19.7
Boston, Mass....	9.2	4.5	17.7
Worcester, Mass....	9.8	4.5	18.3
Springfield, Mass....	10.1	4.5	18.5
Cambridge, Mass....	9.2	4.5	17.7
Fall River, Mass....	9.3	4.5	17.8
New Bedford, Mass....	9.7	4.5	18.2
Somerville, Mass....	9.2	4.5	17.7
Lowell, Mass....	9.7	4.5	18.2
Pittsfield, Mass....	9.8	4.5	18.3
Providence, R. I....	9.3	4.5	17.8
Hartford, Conn....	9.9	4.5	18.4
New Haven, Conn....	9.3	4.5	17.8
Bridgeport, Conn....	9.3	4.5	17.8
New York, N. Y....	9.4	5.5	18.9
Buffalo, N. Y....	9.5	5.5	19.0
Rochester, N. Y....	10.1	5.5	19.6
Syracuse, N. Y....	9.8	5.5	19.3
Yonkers, N. Y....	9.4	5.5	18.9
Albany, N. Y....	9.2	5.5	18.7
Utica, N. Y....	10.2	5.5	19.7
Newark, N. J....	9.0	4.5	17.5
Jersey City, N. J....	9.0	4.5	17.5
Paterson, N. J....	9.0	4.5	17.5
Trenton, N. J....	9.0	4.5	17.5
Camden, N. J....	9.0	4.5	17.5
Elizabeth, N. J....	9.0	4.5	17.5
Philadelphia, Pa....	9.0	5.5	18.5
Pittsburgh, Pa....	9.5	5.5	19.0
Scranton, Pa....	9.5	5.5	19.0
Eric, Pa....	9.5	5.5	19.0
Reading, Pa....	9.5	5.5	19.0
Hazleton, Pa....	9.5	5.5	19.0
Wilmington, Del....	9.0	5.5	18.5
Baltimore, Md....	8.75	5.5	18.2
Washington, D. C....	9.0	3.5	15.5
Richmond, Va....	9.5	6.5	20.0
Norfolk, Va....	9.25	6.5	19.75

Henderson acts to control industrial solvent prices

Producers, dealers, and purchasers of industrial solvents were asked August 30 by Leon Henderson, Administrator, Office of Price Administration, not to raise prices on these chemicals above the July 29, 1941 level without prior consultation with the OPA.

Price schedules are now being prepared for a number of these products. It is unlikely that the schedules will be above July 29 prices as reported in reputable trade journals and in some cases may be lower than prices then prevailing.

Among the solvents involved are acetone, acetic acid, acetic anhydride, methyl acetone, ethyl acetate, normal and secondary butyl acetate, dibutyl phthalate, methyl alcohol of all grades, ethyl alcohol, isopropyl alcohol, and normal and secondary butyl alcohol.

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Pipe line given right of eminent domain

President Roosevelt has authorized the builders of the Plantation pipe line, which will run from Baton Rouge, La., to near Greensboro, N. C., to exercise the right of eminent domain in obtaining rights-of-way. Acting Defense Petroleum Coordinator Ralph K. Davies announced that this application of the Cole Act is expected to permit completion of the project, which is designed to deliver 60,000 to 90,000 barrels of petroleum products daily, in December. According to oil industry spokesmen, it will release 10 or more tankers which will therefore become available to help relieve the shortage in the North Atlantic States.

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Tanker Control Board formed by oil coordinator, Maritime chief

The formation of a Tanker Control Board to coordinate the operations and use of American oil tankers was announced jointly August 27 by the offices of Defense Petroleum Coordinator Harold L. Ickes and Admiral Emory S. Land, Chairman of the United States Maritime Commission.

The duty of the Board will be "to coordinate all effort bearing on the allocation and utilization of tankers owned or controlled by American companies."

OPACS moves to spread wastepaper stocks, overcome circumventions of price pacts

Agreements designed to relieve an unbalanced distribution of wastepaper stocks in the East, which already has forced some consuming mills in that area to close down, were announced August 27 by OPACS.

Twenty-seven companies consuming large quantities of wastepaper have agreed individually with OPACS to allow wastepaper dealers or brokers under commitment to them to divert wastepaper supplies to other mills whose inventories are dangerously low. According to the understanding, each mill permitting such diversion first must have an adequate surplus inventory for its own requirements.

At the same time, OPACS made public a telegram which has been sent to approximately 60 wastepaper dealers and about 20 wastepaper consuming companies in the East calling attention to their previous individual agreements not to charge or bid more for the three basic grades of wastepaper than the prices as of June 16, 1941, plus differentials and charges then in effect. No additional charges are to be imposed, the message said.

Misunderstandings cleared up

Because of certain misunderstandings of the situation, OPACS Administrator Henderson undertook to clarify in detail the various steps taken by his office to stabilize the wastepaper market. These steps follow:

1. On June 18, 1941, individual understandings to abide by wastepaper prices prevailing on June 16th and the differentials and charges then in effect were reached at a meeting with Eastern wastepaper dealers.

2. These understandings were reaffirmed at a further meeting July 25, with the effective date of the agreements extended to October 1.

3. At a meeting on August 3, 20 prominent wastepaper consuming companies in the New York area agreed individually with OPACS not to bid more for wastepaper than the prices previously agreed upon between OPACS and individual wastepaper dealers in that area.

It was understood that prices f. o. b. truck should be 50 cents per ton less than the f. o. b. freight car prices previously announced for the Eastern area. This differential was determined by

OPACS field investigators to be consistent with existing trade practices.

Circumventions developed

In the face of these agreements, there developed in certain trade quarters methods designed to circumvent the maximum prices. Among these methods were the imposition and payment of "special service charges" which were not in effect on June 16; adoption of new names for ordinary grades of wastepaper, thus creating new price classes; or even the buying and selling of one grade or type of wastepaper under a billing providing for a different and more expensive type.

By these means and others certain wastepaper dealers have consistently attempted to force consumers to pay more than the prices determined by OPACS and the wastepaper dealers themselves to be fair and reasonable.

Where resistance has been encountered from consumers seeking to conform to their agreements with OPACS, supplies in some cases have been diverted or withheld, thus creating an unbalanced inventory situation that has forced some plants to close for want of wastepaper.

Alleviation of this dangerous condition is expected to follow the latest understandings, which were reached at a meeting with the twenty-seven large consuming companies on August 22.

Names of the Eastern companies agreeing to emergency diversion follow:

Fort Orange Paper Co., New York; New Haven Pulp & Paper Co., New Haven; Robertson Paper Box Co., Montville, Conn.; United States Gypsum Co., Chicago; Container Corporation of America, Manayunk, Pa.; United Paperboard Co., New York; Congoleum Nairn Co., New York; S. Austin Bicking Paper Manufacturing Co., Downingtown, Pa.; Downingtown Paper Co., Downingtown, Pa.; The Rubberoid Co., New York; Robert Gair Co., New York; National Folding Box Co., New Haven; Schmidt & Ault Paper Co., York, Pa.; Johns-Manville Co., New York; Flintkote Co., New York; Atlas Publishing Co., New York; Reilly & Co., Easton, Pa.; Kleckhefer Co., New York; Federal Paper Board Co., Inc., Bogota, N. J.; International Paper Co., New York; Clifton Paperboard Co., Clifton, N. J.; Celotex Corporation, Chicago; Certain-Teed Products Corporation, New York; Barrett Co., New York; Continental Paper Co., Ridgefield Park, N. J.; McEwan Bros., Inc., Whippany, N. J., and The Hemingway Co., Philadelphia.

Mr. Henderson pointed out that almost unanimous adherence to similar agreements has been obtained by OPACS from wastepaper dealers and consumers in the Middle West, with result that no mill in that area has been compelled to shut down because of shortage in supplies of wastepaper.

Speculative disruption of fat, oil prices banned; cotton relieved of "threat"

Special action designed to eliminate speculative practices that tend to disrupt the price structure of the entire fats and oils field was announced August 29 by OPACS Administrator Henderson.

At the same time he withdrew an earlier statement by his office that ceiling prices would be placed on cottonseed oil. If action becomes necessary in face of a runaway price situation it will cover both cottonseed oil and competing products. Mr. Henderson stated that no such situation was now expected.

The August 29 action, which takes the form of Schedule No. 25, "Elimination of Speculative and Inflationary Price Practices" in fats and oils and their products, was arrived at after intensive study by OPACS in the course of which consultation was had with cotton planters, cottonseed crushers, sellers and consumers of the various oils and fats, Commodity Credit Corporation, the Department of Agriculture, the Federal Tariff Commission, and the Department of Commerce.

Four corrective measures

Four corrective measures are contained in the schedule as follows:

1. Purchases of fats and oils purely for the purpose of speculative resale at a profit are prohibited. This provision does not apply to futures trading on organized commodity exchange for hedging purposes or to purchases or sales in the course of recognized manufacturing and distributing functions.

2. Deliveries against forward purchases must be completed within 45 days of commitment. However, forward sales of crude oils by crushing mills are specifically excluded, as are forward sales of imported oils and fish oils.

3. "Guaranties" on the part of sellers of fats and oils or their products against future price declines are eliminated, with the exception that wholesalers, jobbers, and retailers are allowed to obtain such guaranties as regards their floor stocks.

4. A device sometimes employed to circulate fictitious price quotations in the trade is outlawed.

"Through these measures, which have the support of the trade, we hope to be in a position to cope successfully with a type of speculation that, if not brought under control, might affect adversely both our civilian population and that part of our farm population for which

cottonseed is a 'cash crop,'" Mr. Henderson stated. "Supplies of fats and oils are ample, but because of speculation and hoarding over recent months, the spectre of shortage has made its appearance. As a result, prices have been influenced artificially to the detriment of the public interest and the defense effort.

"Continued instability in the prices of these vitally important commodities can only serve to contribute to inflation."

1,800 important fats and oils

There are approximately 1,800 fats and oils (excluding mineral, essential and chemical oils) that are essential to a wide range of industrial and domestic uses. Their annual consumption (referred to as "disappearance") in the United States exceeds 9,000,000,000 pounds. Excluding butter, which is not affected by the new OPACS schedule, the "disappearance" of fats and oils in 1940 was close to 7,500,000,000 pounds. Over 96 percent of this huge total was made up of 16 major forms, of which the most important are lard, cottonseed oil, and inedible tallow and grease, all of domestic origin. Following these leaders in order of their relative "disappearance" are coconut oil, linseed oil, marine animal oil (whale oil, menhaden oil, sardine oil, codliver oil, etc.), soybean oil, palm oil, corn oil, tung oil, edible tallow, peanut oil, castor oil, olive oil, babassu oil, and perilla oil.

"Threat" removed from cotton oil

"Because of its economic importance to the Cotton Belt and the key position it holds in the food industry, cottonseed oil has been the subject of close attention from my office for some time past," Mr. Henderson said. "The sharp price advances of the winter and early spring led to a threat of ceiling prices at levels considerably lower than those prevailing at the time. This warning served to stabilize cottonseed oil prices over the weeks preceding the season when new run seed begins to flow to the crushing mills. Intensive study of the problem, including exhaustive field investigations, has made it clear, however, that ceiling action on cottonseed oil which did not extend to competitive fats and oils would be unwise and also discriminatory.

"Since new run seed is now beginning to flow to the mills, it is desirable that the threat of specific action directed toward cottonseed oil be removed. In this connection consideration has been

given to the fact that cottonseed is the source of the only unpledged income of a large number of small producers. Today's action will permit them to sell this year's crop at prices which represent a fair and proper relation to other fats and oils or oil bearing products."

Fictitious price system forbidden

An unsettling influence on prices has been the offering of fats and oils or their products by a seller through a broker, subject to the seller's confirmation. Brokers have arranged such sales, only to have the seller refuse to confirm the transaction. The intended price, having been circulated in the trade, has been taken as an actual price and quotations throughout the market have been adjusted to a new, though artificial level. In section 1343.4 of the new schedule, practices of this kind are forbidden.

An advisory panel, which will include representatives of crushers, refiners, manufacturers, processors, and distributors (including retailers) of all of the products involved, as well as representatives of the consuming public, will be appointed by OPACS to consider any hardships, inequities or other problems arising from operation of the schedule and any adjustments, modifications or supplements that may be warranted.

Fats and oils have increased more in price in recent months than most other food commodities and corrective measures will be instituted as a supplement to the August 29 schedule should there be any indication of a further runaway situation.

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Ceiling put on three types of domestic animal hair

Ceiling prices on three types of domestic animal hair used in high-grade mattresses are established in a price schedule announced August 16 by OPACS.

Maximum prices of 45 cents a pound and 8 cents a pound, respectively, are set for domestic washed cattle tail hair and domestic processed winter hog hair, while a top price of \$60 a ton is fixed for domestic coil dried winter hog hair.

The schedule does not apply to hair of these types when imported from a foreign country.

Domestic cattle tail hair and winter hog hair, processed and curled, are used in mattresses by the Navy and by numerous public institutions. Stimulated by heavy demand, prices for this hair have become excessive.

Amendment clarifies lake copper's status

Such misunderstanding as may have arisen over the status of lake copper in the copper price schedule is eliminated by an amendment announced September 2 by OPA.

In the amendment an exact specification for lake copper is added to appendix A and it is stipulated that the same delivery differentials shall apply to lake copper as are provided for electrolytic copper.

Prior to issuance of the copper price schedule, lake copper sold at a small premium over electrolytic copper in the Connecticut Valley and at a slight discount below electrolytic in the Chicago area. By placing electrolytic and lake copper on the same basis at all points, operation of the priorities order of OPM was facilitated.

The schedule also has been changed so as to place casting copper on an f. o. b. refinery basis, instead of a delivered Connecticut Valley basis, thus recognizing prevailing industry practice and preserving the differential between electrolytic and casting coppers.

A further refinement of the schedule is embodied in a change of the word "bought" to "acquired" in that section dealing with prior commitments. By this change dealers may apply to OPA for permission to complete less-than-carload lot sales at higher than ceiling prices where the copper involved was purchased in carload lots prior to July 1, 1941, but was delivered on or after that date. This will protect dealers in such a position from inventory loss.

Provision also is made under the amendment to allow completion of certain firm commitments beyond December 31, 1941, through application to OPA.

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Rayon allocation extended

The Division of Civilian Supply of the Office of Production Management announced August 30 a 1-month extension had been approved for those phases of the civilian allocation program for rayon yarn, as amended, which otherwise would have expired on August 31.

The extension to September 30, 1941, was approved by Leon Henderson, as administrator of the Office of Price Administration and Civilian Supply, before President Roosevelt directed transfer of the civilian supply functions of OPACS to OPM.

SCRAP CEILING TO BE ENFORCED STRICTLY

It was announced August 28 that a mandatory priority order for iron and steel scrap would be forthcoming within the next several days and strict enforcement of the iron and steel scrap schedule would begin on September 2. The announcements were made at a meeting of scrap brokers and dealers and representatives of steel mills and foundries called jointly by the OPM and the Office of Price Administration and Civilian Supply.

The scrap priority order, which will be issued by OPM, will follow the fundamental principles contained in the pig iron priority order, and, in effect will provide for a "kitty" based upon a percentage of the scrap made by users of steel and the amount of scrap flowing through dealers' hands. In addition, a special emergency pool, moderate in size, will be established with scrap originating from Government sources.

Leon Henderson, OPACS administrator, said that scrap ceiling prices had been widely ignored in recent weeks, a condition which must be corrected.

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Scrap schedule amended

The iron and steel scrap schedule has been amended to add Cincinnati as a basing point, establish net f. o. b. line prices for "rerolling" rail on certain railroads, and provide uniform shipping point prices at various Gulf ports, OPACS announced August 27.

By adding Cincinnati, OPACS now has provided basing points for the major scrap consuming areas in the United States.

The amendment having to do with "rerolling" rail permits railroads not operating in a basing point to sell such rail f. o. b. lines at the average price of their f. o. b. lines sales during the period from September 1, 1940, to January 31, 1941. Rerolling mills may absorb all transportation charges necessary to obtain delivery of the rail. This permission to absorb freight applies to rerolling mills only, since in no case may rails of rerolling quality be diverted for melting purposes.

The term "rerolling" is applied to a type of scrap rail which is reprocessed by the mills into reinforcing bars. This product is in great demand for heavy construction of all kinds.

Auto junking drive to reach 3 more areas this week

A campaign to increase the junking of worn-out automobiles and thus provide additional scrap iron and steel needed urgently for defense production will be extended this week to the Chicago, St. Louis, and Kansas City areas, the Office of Production Management announced August 30.

At meetings in the three cities, Government officials will appeal to automobile wreckers and scrap dealers to strip derelict cars now in their yards of salable parts and scrap the bodies and engine blocks immediately.

Government officials attending the forthcoming meetings will include R. H. Ridgway, assistant to R. C. Allen, deputy chief of the Iron and Steel Branch of OPM in charge of raw materials, and Maj. E. T. Butler of the Army and Navy Munitions Board.

The schedule of meetings follows:

Chicago—Sherman Hotel, 1 p. m., Wednesday, September 3, with automobile wreckers and scrap dealers from northern Illinois, including Peoria. William Homer Hartz, coordinator of OPM's Defense Contract Service at Chicago, will preside.

St. Louis—Statler Hotel, 2 p. m., Thursday, September 4, with automobile wreckers and scrap dealers from southern Illinois, south of Peoria, and eastern Missouri. Harry B. Wallace, coordinator for the Defense Contract Service at St. Louis, will preside.

Kansas City—Muehlbach Hotel, 1 p. m., Friday, September 5, with automobile wreckers and scrap dealers from Kansas and western Missouri. Kenneth A. Spencer, coordinator of the Defense Contract Service at Kansas City, will preside.

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Cadmium producers willing to keep 90- and 95-cent prices

Major producers of cadmium have indicated to the Office of Price Administration their willingness to continue to sell that metal at prices not above 90 cents a pound for sticks and 95 cents a pound for anodes, in the case of direct sales to users, and to sell to dealers at discounts which will permit resales to consumers at not above 90 cents and 95 cents, Administrator Leon Henderson announced August 30.

Prices above these levels are considered excessive and consumers are requested not to pay them.

If cadmium is needed urgently and cannot be obtained at 90 cents a pound for sticks and 95 cents a pound for anodes, Mr. Henderson suggested that consumers communicate with the Office of Production Management.

LABOR . . .

Shipbuilding stabilization complete for U. S. with wage and no-strike pact for Lakes

Nation-wide stabilization of the shipbuilding industry for the duration of the emergency was completed, Associate Director General Hillman announced August 29, with ratification by the Great Lakes Metal Trades District Council (AFL) of zone standards approved for the Great Lakes district by the OPM, the Navy, and the Maritime Commission. The ratification was signed by John J. Murphy, president of the District Council, and submitted to Morris L. Cooke, chairman of OPM's Shipbuilding Stabilization Committee.

Covers new ships and repair

The zone agreement, similar to previous pacts effected in the Pacific, Atlantic and Gulf Coast regions, covers working conditions on new ship construction and repair in the Great Lakes area. In addition to the creation of grievance machinery for union members, the agreement also bans strikes and lockouts.

Provisions of the agreement are:

1. A basic hourly wage of \$1.12 for standard first-class mechanics, with corresponding percentage increases for all other hourly paid employees.
2. Time-and-a-half pay for more than 8 hours in 1 day or more than 40 hours in 1 week, and for all Saturday work. Double time for Sundays and holidays.
3. Shift work to be permitted, with a 40-cent premium for second and third shift workers for each full shift period.
4. Restriction of the use of "premium men." Premiums now being paid for special skills above basic mechanic's wage will be maintained, but the number of premium men or the amount of the premium will not be increased without official Navy and/or Maritime Commission approval.
5. Establishment of machinery for adjustment of grievances and arbitration of disputes.
6. A ban on strikes and lockouts.
7. A guarantee against limitation or curtailment of production.
8. Provision for training all types of workers.
9. Standards to be in effect for two years and "thereafter by mutual agreement." Basic wage rates to be adjusted at the end of the first year and at six-

month intervals thereafter, provided living costs have changed 5 percent or more.

On April 23, the Great Lakes Shipbuilding Zone Conference, with Walter T. Fisher as chairman, met in Chicago for preliminary discussion of standards. Standards drafted by a subcommittee were approved by the full conference on July 11. In accordance with the policy of OPM's Shipbuilding Stabilization Committee, the labor organization with the majority of organized workers in the region represents labor in the drafting of zone standards. Consequently, the labor representatives on the Great Lakes Conference subcommittee were named by the Metal Trades Department of the AFL.

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Building Stabilization Board members announced

Associate Director General Hillman, OPM, announced August 26 the three members of the Building Trades Stabilization Board of Review established by the July 24 agreement between the Government and the AFL building and construction trades engaged in defense work.

John Coyne, president of the AFL Building and Construction Trades Department, was designated by that organization.

James P. Mitchell, chief of labor relations of the construction division, Office of the Quartermaster General, was named to represent the Interested Government agencies.

J. Douglas Brown, chief of the OPM's Labor Priorities section, was designated by OPM.

The Board's function is to adjust disputes arising under the agreement. The agreement also specifies that in a dispute involving a particular Governmental agency, that agency may designate a representative as a temporary member of the Board for the mediation of the dispute.

The agreement provides for the stabilizing of working conditions and pledges against work stoppages "on account of jurisdictional disputes or for any other cause."

Discrimination complaints to be heard on West Coast in October

Hearings on complaints of discrimination against minority groups in defense employment on the West Coast will be held in Los Angeles, October 1 and 2, the President's Committee on Fair Employment Practice announced August 28.

Similar hearings will be held later in New York City and Chicago. Dates have not been set.

Five of the six members of the committee have indicated they will attend—Mark Ethridge, Earl Dickerson, David Sarnoff, Milton P. Webster, and John Brophy, sitting for Phillip Murray who is ill.

Discrimination reported in several areas

The committee revealed that it had received reports of discriminatory hiring practices in several areas, including the West Coast aviation industries. In open sessions, the committee will hear complaints from organizations and individuals and then hold conferences on the problems presented with the Government's training, labor supply, and employment agencies in that area.

Col. F. J. McSherry, director of OPM's Defense Training branch, told the committee that he is immediately placing 200 new Negro trainees in West Coast schools in anticipation of future needs resulting from changed employment policies on the part of some defense industries.

Committee takes New York cases

The committee on August 27 associated itself with the recommendations of the Council of Personnel Administration that the President send a directive letter to each of the 32 Government agencies and departments instructing them to comply with the President's executive order of June 25. The order bans discrimination in Government employment as well as in defense industries.

Complaints of discriminatory practices by four companies in New York City were certified to the committee by OPM after that agency failed to effect a change in their employment policies. Chairman Ethridge and executive secretary Lawrence Cramer were instructed to prepare these cases for action by the committee.

17 named to paper, pulp labor advisory committee

Associate Director General Hillman, OPM, last week invited 17 representatives of AFL unions in the paper and pulp industry to a meeting in Washington on September 4 to discuss problems arising from the curtailment of certain materials used by the industry.

The AFL officials, together with representatives yet to be named from other international unions in the industry, will comprise the OPM labor advisory committee on paper and pulp.

Although no immediate widespread labor dislocations in the industry are expected, the union officials are concerned about other problems, such as the difficulty encountered in obtaining new machines and metal for repairs. Military necessities have also cut down the supply of chlorine used in processing certain kinds of paper. In the printing industry, shortages of lead, copper, and zinc are being felt.

The AFL representatives named to the committee are:

Pulp and primary paper industry

International Brotherhood of Pulp, Sulphite, and Paper Mill Workers: John P. Burke, president; H. W. Sullivan, first vice president; Fred Morris, sixth vice president.

International Brotherhood of Paper Makers: Arthur Huggins, president; Joseph Addy, secretary-treasurer; Paul L. Phillips.

Printing Trades: John B. Haggerty, chairman, board of governors (Alternate: Boris Shishkin, American Federation of Labor); C. V. Ernest.

Converted paper products industry

International Brotherhood of Pulp, Sulphite, and Paper Mill Workers: John Sherman, fifth vice president; Harriet Wray; Earl Taylor.

International Printing Pressmen and Assistants' Union of North America: C. V. Ernest.

International Brotherhood of Paper Makers: Arthur Huggins.

International Brotherhood of Bookbinders: John B. Haggerty, president.

American Federation of Labor: Boris Shishkin.

Printing, publishing, and allied industries

International Typographical Union: C. M. Baker, president.

International Printing Pressmen and Assistants' Union of North America: C. V. Ernest.

International Brotherhood of Bookbinders: John B. Haggerty.

International Photo Engravers' Union of North America: E. J. Volz, president.

International Stereotypers and Electrotypers' Union of North America: Leo J. Buckley, president.

Lithographers' International Protective and Beneficial Association of the United States and Canada: William J. Riehl, president.

American Federation of Labor: Boris Shishkin.

International Brotherhood of Pulp, Sulphite and Paper Mill Workers: Raymond Leon.

International Brotherhood of Paper Makers: Arthur Huggins.

National committee on auto employment asks immediate survey of local conditions

Formation of an emergency national committee on automobile employment within OPM's Labor Division was announced August 26 by Associate Director General Hillman, to cooperate with labor and industry committees on reemployment and retraining of workers for defense jobs, and to carry out field operations in local dislocations as they arise.

Eric Nicol, associate chief of Labor Supply Branch, and former industrial relations and personnel adviser for large industries in Philadelphia and elsewhere, was designated by Mr. Hillman to head the committee. Robert Barnett, also of the Labor Supply Branch, is executive secretary.

Immediate survey planned

The committee, made up of representatives of the defense activities of the United States Employment Service, and of the Labor Relations, Priorities, Defense Training and Training Within Industry branches of the Labor Division, held its first meetings August 25 and 26.

An immediate survey, to determine the extent and location of the immediate furloughs and lay-offs to result from the production cut in the industry, was decided upon by the committee. The regional labor supply committees of OPM's Labor Division will make the survey, through the facilities of the United States Employment Service, which has direct contact with the industries and plants involved.

Action to be on local and regional levels

Through local cooperation of management and labor, the operations will be conducted on community and regional levels as much as possible, by promoting registration of workers in employment offices prior to their layoffs, and the establishment of necessary special training courses to open up new opportunities for reemployment.

Mr. Hillman announced that information on pending and prospective labor displacements, as fast as it is obtained through Employment Service channels, will be sent to the Priorities Branch of the Labor Division, and forwarded to the Defense Contract Service to guide it in its subcontracting and farming-out activities. Under this procedure, the Priorities Branch will certify to the Defense Contract Service that labor is threatened with loss of jobs, because of material shortages, in certain nondefense plants, industries, or communities. The

Defense Contract Service will propose the negotiation of contracts, waiving the usual bidding procedure, or other methods of awarding defense jobs for the plants or industries affected.

Representatives sent at once

The committee is sending its representatives to Detroit and other automobile centers at once to prepare the ground work.

Employment Service regional directors, now serving as active chairmen of the recently created regional Labor Supply committees, will head and carry out the Government operations necessary to registering, retraining, and reemploying the displaced workers. This is in accordance with programs as proposed by the United Automobile Workers, CIO, and by AFL unions in the industry.

First attention will be given to one-industry localities where automobile industry work predominates and no defense contracts have yet been placed. Automobile parts plants, which are major industries in many small cities, will be given equal attention with the big assembly centers of the industry.

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AFL auto representatives invited to Washington

Associate Director General Hillman, OPM, last week invited five representatives of AFL labor unions in the automobile industry to a meeting in Washington September 3 to discuss unemployment and other labor problems arising from the curtailment of passenger-car production.

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98 percent of stocking mills have cut week to 40 hours

Associate Director General Hillman, OPM, reported August 28 that 98 to 99 percent of the Nation's hosiery mills have limited their shifts to 40 hours per week per worker, in accordance with an OPM request which followed the freezing of Japanese silk imports.

"This is very gratifying, and I hope that the few mills working 48-hour and 50-hour shifts will soon fall in line to make this action unanimous," Hillman said.

MEDIATION BOARD . . .

Car and Foundry dispute settled; Gypsum strikers return to work

The National Defense Mediation Board last week (August 25-31) obtained an agreement settling the issues in one case, made recommendations in two others, and received certification of one new dispute.

Aluminum Co. of America

On August 27, after 4 days of hearings, a panel, headed by William H. Davis representing the public, with Cy Ching and James B. Carey representing employers and employees respectively, issued interim findings and recommendations in the dispute between the Aluminum Co. of America and the International Union of Aluminum Workers of America, CIO. A threatened strike that would have affected 5 plants of the company and involved about 18,000 workers, had been postponed at the request of the Board. The dispute arose over demands by the union that the wage differential between the northern and southern plants of the company be abolished, and that the afternoon and night shift workers at the company's New Kensington, Pa., plant be granted a 10-cent per hour bonus.

The recommendations provide for the appointment of a special representative to investigate these issues and report his findings to the Board by October 11. When the report has been received the Board will resume consideration of the issues to try to effect a settlement by agreement. Failing agreement, recommendations will then be made by the Board. Paul R. Hays of the New York State Mediation Board has been named as the Board's agent.

United States Gypsum Co.

Recommendations issued August 28 by the Mediation Board on the dispute between the United States Gypsum Co. and 3,000 striking employees represented by the gas, byproducts, coke, and chemical workers, CIO, were accepted by the union. The men, who had been on strike at 17 plants of the company since June 26, started back to work immediately. This return to work resulted from a request by the Board in its recommendations, which also provided for the appointment of a special representative to investigate four issues still in dispute between the company and the union. The report by the representative is to be made

to the Board within 30 days after his appointment. The panel, composed of Dr. Frank Graham for the public, Charles Adams for employers, and Emil Rieve for employees, will then reconvene the hearings and attempt to settle the dispute by agreement. Failing this, the Board will then make recommendations.

An interim recommendation issued earlier in the case denying the union's request for a master agreement covering all 17 plants and recommending that both company and union representatives come to Washington for the negotiation of separate plant contracts had been accepted by the union and rejected by the company.

On August 30 at 2:30 in the morning,

an agreement was reached between the American Car & Foundry Co. of Chicago, Ill., and the United Automobile Workers of America, CIO. The hearings began on August 27 before a panel consisting of Walter T. Fisher for the public; Roger Lapham for employers and Hugh Lyons for employees.

A strike of 600 employees on July 10 was called off at the request of the Board and the men returned to work on August 22 a few days after the case had been certified. The dispute arose over the company's wage incentive program.

The terms of the agreement, which is subject to ratification by the union membership, were not made public.

The new case certified to the Board involves the Haskell and Barker plant of the Pullman Standard Car Mfg. Co. at Michigan City, Ind., and the Brotherhood of Railway Carmen, AFL. A hearing is scheduled for September 8.

Filling of civilian cutting-tool orders permitted if defense does not suffer

Two orders affecting the production and delivery of cutting tools were issued August 31 by the Priorities Division, OPM.

Supplementary Order E-2-a supplements and supersedes General Preference Order E-2, the original order imposing priority control on distribution of cutting tools.

The new order, unlike the original, permits the acceptance and filling of non-defense orders, provided that production and deliveries of defense orders are not prejudiced. It covers regular, as well as special cutting tools, and assigns a preference rating of A-10 to all defense orders to which a higher rating has not been specifically assigned, and requires that deliveries of these tools be made in accordance with preference ratings.

Permits building of stocks

To enable a distributor to obtain stocks of cutting tools the order assigns the A-10 rating to deliveries to him for the purpose of filling defense orders, and permits him to obtain these tools prior to having defense orders on his books. Cutting tools obtained by a distributor with the special rating may not be disposed of by him to fill any but defense orders.

The order further provides, as did Gen-

eral Preference Order E-2, that where immediate compliance with a higher preference rating would interfere with work in actual production, compliance may be deferred (except with respect to orders bearing an AA rating) until completion of that stage of production in which the work in process finds itself at the time the higher rating preference becomes available, provided that the deferment does not exceed 10 days.

Materials order changed

The second order in the cutting tools field, Preference Rating Order P-18-a, supersedes Preference Rating Order P-18. It is a limited blanket rating order issued to manufacturers of cutting tools, assigning an A-1-a rating to facilitate their procurement of certain listed materials to enable them to manufacture cutting tools required to fill defense orders, but limited to these.

The material to which the A-1-a rating is applicable are:

High speed steel, carbon tool steel, and alloy steel bars, sheets, rods, shapes, forgings, and castings; cutting tools, including cemented carbides; abrasives; measuring instruments and gages; maintenance and shop supplies (restricted to items necessary for proper operation and maintenance of manufacturing equipment and facilities).

News for Retailers

Installment Regulations

Restrictions on installment selling as issued by the Federal Reserve Board, which went into effect on September 1, proved to be somewhat less severe than had been anticipated by retailers. The Office of Price Administration, however, draws attention to the concluding paragraph of last week's statement by Mariner S. Eccles, Chairman of the Federal Reserve Board, which advises the public that the regulation is subject to change from time to time as experience with its administration develops, and as economic conditions require a further dampening of buying power in order to safeguard the interests of consumers and the public generally.

The installment credit regulation, which went into effect September 1, has two broad purposes. One is to act, in concert with other Governmental measures, as a brake on current inflationary tendencies, and the second is to discourage consumer competition with the defense effort for fully employed productive resources and scarce materials. Whole-hearted cooperation of retailers in the program may prevent the introduction of more drastic measures later, it is pointed out.

Installment credit controls as a deflationary device is one phase of a program which includes an extension of the taxing program and the voluntary sale of savings bonds and savings stamps. The latter aid in meeting the cost of defense, as well as in siphoning off buying power.

Installment control and defense bonds and stamps are expected to be of service in cushioning the period of post-war readjustment as well. The bonds and stamps will provide purchasing power at a future date, while the tightening up of installment payments discourages over-extension of credit, and minimizes the costly liquidations and disruptions to normal purchasing attendant to such periods.

The severity of the announced installment regulation varies according to the degree to which the products covered compete with national defense production. Thus automobiles, aircraft, and powerboats, whose manufacture requires the use of many materials, plants, and men needed directly for defense, are sub-

ject to a 33½ percent down payment, while new household furniture (including ice refrigerators, bedsprings, and mattresses, but excluding floor coverings, wall coverings, draperies, and bed coverings), pianos, and household electric organs, which compete less directly, are subject to a 10 percent minimum down payment.

All of the commodities covered by the regulation are subject to a maximum payment period of 18 months. Although the plan went into effect on September 1, registration of firms or persons granting installment credit will not be required until January 1, 1942.

New England Coal Shortage Threatens

Fuel allocation officials of the Office of Production Management are seeking to avert a coal shortage that is threatening the New England area this winter.

Drouth in the New England states limited the amount of hydroelectric energy available this summer and resulted in a greater than usual consumption of coal for power-generating purposes. Heavy demands are also being made by coal-consuming defense industries that are operating now at relatively high levels.

Three of the ships usually plying the New England route on a year-round basis have been diverted to defense uses, and eight of the boats which normally enter the coal trade for several months in the peak fall season have been requisitioned by the Maritime Commission for defense shipping.

Consumers receiving coal by rail from the docks can help the situation by an early shifting to all-rail delivery, and thus reduce the burden on the collier fleet.

Meetings have been held by OPA with a committee appointed by the governors of the New England States in order to work out estimates of winter coal requirements, and with representatives of the collier companies in the New England trade to explore means of facilitating delivery by water.

In the meeting with the collier companies, a general agreement was reached that the steamship companies would seek to have the load lines on their colliers raised. This will allow the ships to carry more coal, but it also means that the colliers will float lower in the

water, making them more sluggish and less maneuverable.

The possibility of a coal shortage which may develop in the Upper Great Lakes area around Duluth, unless the Great Lakes ore boats can make up the deficit later this season, is also being watched.

Allocation officials point out that, because of these expected shortages, it is particularly important that retailers and consumers in these deficit areas heed the suggestion of Harriet Elliott, head of the Consumer Division, for the summer buying of coal, and the prevention of waste in heating homes and places of business.

Instruction for the building of extra bins in basements are printed in the June 12 issue of CONSUMER PRICES. Information on the proper care and feeding of coal furnaces will be given in a forthcoming issue.

Rate of Shoe Buying

Purchasing of shoes by the Army and the Navy is expected to proceed at about the same rate during the next 6 months as during the recent period, according to information released by the Purchases Division, OPM. This would indicate that no increased call upon materials for shoe manufacture or plant capacity above present levels is likely to be made, barring any considerable increase in the size of the armed force.

The present rate of purchasing is at the level of approximately 1,750,000 pairs a month. The Navy is taking shoes at the rate of from 100,000 to 120,000 pairs a month. The Army orders account for the remainder. Of Army purchases, about 1 million pairs are for regular service shoes, some 400,000 for oxfords and smaller quantities of special types of shoes for ski troops, tank corps, etc.

The one possible source of trouble with reference to shoe production is in relation to the hide supply. A subcommittee of the industry committee of the Purchases Division has been appointed to work on this problem. Should the source of supply in South America be interfered with by reason of increased military activities in Africa, the industry would have to make plans to meet the situation. The subcommittee is considering how a stock pile of hides could be created if necessary. There is at the present time no indication, of course, that shipments of hides will be curtailed.

A second subcommittee has been appointed to survey the possibilities of the shoe industry with reference to supplying shoes to England under the terms of the Lease-Lend Act.

PURCHASES . . .

170 Certificates of Necessity for plant expansion from August 1 through August 15

From August 1 to 15, inclusive, 170 certificates of necessity were issued to 137 corporations, the National Defense Advisory Commission announced this week. These certificates were issued in connection with the construction and acquisition of new plant and manufacturing facilities, the estimated cost of which was \$28,800,000.

A compilation for the first half of August follows:

Ace Hardware Manufacturing Corporation, Philadelphia, Pa.; tools, dies, jigs, etc.; \$27,000.

The Acme Machine Tool Co., Cincinnati, Ohio; metal working machinery; \$13,000.

Alton Box Board Co., Alton, Ill.; paper box board; \$2,000,000.

Aluminum Ore Co., Pittsburgh, Pa.; alumina, aluminum fluoride, cryolite and fluorspar; \$429,000.

American Chain & Cable Co., Inc., Monessen, Pa.; stainless steel electrodes; \$34,000.

American Steel Castings Co., Chicago, Ill.; steel castings; \$8,000.

Ampco Metal, Inc., Milwaukee, Wis.; airplane parts; \$111,000.

Anaconda Wire & Cable Co., New York, N. Y.; shipboard and degaussing cable; \$16,000.

Ashland Oil & Refining Co., Ashland, Ky.; water transportation of petroleum products; \$643,000.

The Baltimore & Ohio Railroad Co., Baltimore, Md.; transportation; \$230,000.

Bardons & Oliver, Inc., Cleveland, Ohio; turret lathes; \$69,000.

Bath Iron Works Corporation, Bath, Maine; ships; \$30,000.

Baush Machine Tool Co., Springfield, Mass.; drilling, boring, and reaming machines; \$13,000.

Bell Aircraft Corporation, Buffalo, N. Y.; gun mounts, adapters and cradles; \$143,000.

Bessemer & Lake Erie Railroad Co., Pittsburgh, Pa.; iron ore transportation; \$5,410,000.

Blaw-Knox Co., Pittsburgh, Pa.; machining of armor cast steel; \$74,000.

Bliss & Laughlin, Inc., Harvey, Ill.; cold finished steel; \$60,000.

Bohn Aluminum & Brass Corporation, Detroit, Mich.; aircraft brass and aluminum rods, aluminum forgings and fuze noses; \$111,000.

Borg-Warner Corporation, Detroit, Mich.; aircraft engine clutch sets; \$4,000.

The Bradford Machine Tool Co., Cincinnati, Ohio; lathes and automatic drilling machines; \$14,000.

Braeburn Alloy Steel Corporation, Braeburn, Pa.; carbon tool steel and stainless steel alloys; \$83,000.

Bridgeport Brass Co., Bridgeport, Conn.; ammunition and cartridge cases; \$169,000.

Bristol & Martin, Inc., New York, N. Y.; precision tools, bullet dies and gages; \$227,000.

Buffelen Lumber & Mfg. Co., Tacoma, Wash.; fir plywood; \$179,000.

Burchell Products, Inc., New York, N. Y.; jigs, fixtures, tools, gear reduction mechanism, etc.; \$6,000.

Caterpillar Tractor Co., Peoria, Ill.; tractors, diesel and gasoline engines; \$667,000.

The Cleveland Crane & Engineering Co., Wickliffe, Ohio; cranes, presses, and tram-rail systems; \$16,000.

The Cleveland Graphite Bronze Co., Cleveland, Ohio; aircraft engine parts; \$180,000.

Clifford Manufacturing Co., Boston, Mass.; airplane radiator cooler tubes; \$115,000.

Cogsdill Twist Drill Co., Inc., Detroit, Mich.; metal cutting tools and twist drills and reamers; \$32,000.

Collyer Insulated Wire Co., Pawtucket, R. I.; shipboard cable; \$25,000.

Crucible Steel Co. of America, New York, N. Y.; tool, highspeed and aircraft steels and stainless steel sheets; \$1,120,000.

Douglas Oil & Refining Co., Los Angeles, Calif.; alkylate; \$333,000.

Dravo Corporation, Pittsburgh, Pa.; sheet metal work; \$8,000.

Dresser Manufacturing Co., Bradford, Pa.; steam engines, forging and machining of shells; \$76,000.

E. I. du Pont de Nemours & Co., Wilmington, Del.; aniline and diphenylamine; \$71,000.

Thomas A. Edison, Inc., West Orange, N. J.; mechanical time fuze; \$856,000.

Elliot Co., Jeannette, Pa.; power plant equipment for naval vessels; \$260,000.

Ellwood City Forge Co., Ellwood City, Pa.; Diesel engine parts; \$423,000.

Eureka Fire Brick Works, Pittsburgh, Pa.; fire bricks; \$87,000.

Exposition Cotton Mills Co., Atlanta, Ga.; cotton textile fabrics; \$377,000.

Farmers Elevator, Inc., Temple, Okla.; storage of grain; \$8,000.

The Fulton Sylphon Co., Knoxville, Tenn.; fuzes, projectiles and cartridge cases; \$8,000.

The Garrett Corporation, Los Angeles, Calif.; aircraft coolers and seaplane anchors; \$85,000.

Garrison Milling Co., Inc., Oklahoma City, Okla.; storage of grain; \$50,000.

The Gear Grinding Machine Co., Hamtramck, Mich.; gear grinding machines; \$10,000.

General Electric Co., Schenectady, N. Y.; reduction gears and steam turbine equipment; \$138,000.

General Mills, Inc., Minneapolis, Minn.; naval gun mount parts and ordnance materials; \$14,000.

General Motors Corporation, Detroit, Mich.; Diesel engines; \$22,000.

The G. A. Gray Co., Cincinnati, Ohio; machine tools; \$10,000.

Great Northern Railway Co., St. Paul, Minn.; iron ore transportation; \$141,000.

The Griscorn-Russell Co., New York, N. Y.; heat transfer apparatus; \$85,000.

Grove Regulator Co., Oakland, Calif.; pressure regulating equipment; \$2,000.

Gulf, Mobile & Ohio Railroad Co., Mobile, Ala.; transportation; \$237,000.

H. R. L. Machine Works, Inc., Seattle, Wash.; cargo, winches, propellers, and shafts; \$52,000.

Allan Hancock College of Aeronautics, Santa Maria, Calif.; training of pilots; \$38,000.

The Hanson-Whitney Machine Co., Hartford, Conn.; machine tools, plug and ring gages; \$163,000.

Harley-Davidson Motor Co., Milwaukee, Wis.; motorcycles; \$320,000.

Hewitt Rubber Corporation, Buffalo, N. Y.; leak-proof material; \$40,000.

Hudson Sharp Machine Co., Green Bay, Wis.; fixtures for machine tools; \$14,000.

Indian Motorcycle Co., Springfield, Mass.; motorcycles; \$100,000.

The Ingalls Iron Works Co., Birmingham, Ala.; steel structures and shapes; \$50,000.

The Ingalls Shipbuilding Corporation, Birmingham, Ala.; steel cargo and passenger vessels; \$630,000.

Ingersoll-Rand Co., Painted Post, N. Y.; compressors and gas engines; \$162,000.

Isolantite Inc., Bellesville, N. J.; ceramic insulators; \$15,000.

The International Nickel Co., Inc., New York, N. Y.; forgings and cylinders; \$34,000.

Kelsey-Hayes Wheel Co., Detroit, Mich.; aircraft engine barrel cylinders; \$256,000.

The Kempsmith Machine Co., West Allis, Wis.; machine tools; \$40,000.

King Machine Co., W. Milwaukee, Wis.; armor plate for tanks; \$38,000.

The King Machine Tool Co., Cincinnati, Ohio; boring mills; \$1,575,000.

Knappen Milling Co., Augusta, Mich.; storage of grain; \$25,000.

W. B. Knight Machinery Co., St. Louis, Mo.; milling machines, jig borers, and attachments; \$10,000.

The R. K. LeBlond Machine Tool Co., Norwood, Cincinnati, Ohio; lathes, rifling machines and grinders; \$230,000.

R. G. LeTourneau, Inc., Peoria, Ill.; earth-moving equipment; \$39,000.

LeTourneau Company of Georgia, Toccoa, Ga.; machining of shells, \$31,000.

The Linsley Manufacturing Co., Milford, Conn.; small tools; \$1,000.

Lonsdale Co. (Lincoln Bleachery & Dye Works Division), Providence, R. I.; sanforizing and preshrinking of cloth; \$9,000.

Los Angeles & Salt Lake Railroad Co., Omaha, Neb.; transportation; \$141,000.

Missouri Pacific Railroad Co., St. Louis, Mo.; transportation; \$59,000.

Milwaukee Malleable & Grey Iron Works, Milwaukee, Wis.; malleable, grey iron and semisteel castings; \$35,000.

Monsanto Chemical Co., St. Louis, Mo.;

Fire engines to sacrifice big brass bell

The great American fire engine will be a more subdued and modest creation before this defense program goes much further. It will put out fires just as well, but it won't dazzle the eye nearly as much as it has in the past. There's going to be a big change in the matter of using brass, aluminum, copper and similar metals to make the fire engine handsome.

A good deal has been done already. Leading manufacturers have conferred with the Office of Production Manage-

ment frequently during the last few months, and have agreed to reduce their use of critical metals. But big savings remain to be made, and fire engine manufacturers presently will have a further meeting with OPM officials on that subject.

One of the prized features which the fire engine will lose will undoubtedly be the big brass bell. Some of these bells contain as much as 45 pounds of brass, which would make a lot of shell cases or other vital defense items.

tricresyl phosphate and diphenyl; \$319,000.
The Mosler Safe Co., Hamilton, Ohio; machine tools and safe chests; \$6,000.

Mt. Vernon Die Casting Corporation, Mt. Vernon, N. Y.; aluminum die castings; \$63,000.

Nashville, Chattanooga & St. Louis Railway, Nashville, Tenn.; transportation; \$44,000.

The National Supply Co., Toledo, Ohio; cylinder liner jackets; \$29,000.

New England Alcohol Co., Everett, Mass.; ethyl alcohol; \$199,000.

New England High Carbon Wire Co., Millbury, Mass.; spring wire; \$22,000.

North American Aviation, Inc., Inglewood, Calif.; airplane and parts; \$58,000.

Norton Co., Worcester, Mass.; grinding machines; \$52,000.

The Ohio Seamless Tube Co., Shelby, Ohio; seamless steel tubing; \$101,000.

Oregon-Washington R. R. & Navigation Co., Omaha, Nebr.; transportation; \$4,000.

Pacific Gear & Tool Works, San Francisco, Calif.; gears, shafts and parts for the Navy; \$11,000.

The Park Drop Forge Co., Cleveland, Ohio; dies for crankshaft forgings; \$819,000.

Peco Manufacturing Co., Philadelphia, Pa.; metal bomb parts; \$13,000.

Penn Steel Castings Co., Chester, Pa.; steel castings; \$75,000.

Pennsylvania Pump & Compressor Co., Easton, Pa.; crank and toggle shafts; \$10,000.

Pennsylvania Railroad Co., Philadelphia, Pa.; transportation; \$62,000.

Philadelphia Metal Drying Form Co., Philadelphia, Pa.; sub-assemblies for scout cars, tanks and airplanes; \$26,000.

Pittsburgh Testing Laboratory, Pittsburgh, Pa.; service testing of steel, concrete, brick, etc.; \$12,000.

Precision Products, Inc., Corry, Pa.; metal stampings and screw machine parts; \$35,000.

Production Machine Co., Greenfield, Mass.; screw machines, grinders and drills; \$34,000.

Public Terminal Elevator Co., Wichita, Kans.; storage of grain; \$18,000.

Rademaker Chemical Corporation, Eastlake, Mich.; magnesium oxide; \$450,000.

Reading Co., Philadelphia, Pa.; transportation; \$11,000.

Red Lion Tool & Engineering Co., Red Lion, Pa.; bombs, fuses and dies; \$26,000.

Reed-Prentice Corporation, Worcester, Mass.; lathes and vertical milling machines; \$17,000.

Republic Aviation Corporation, Farmingdale, L. I., N. Y.; airplanes; \$31,000.

Robm & Haas Co., Philadelphia, Pa.; plexiglas; \$157,000.

Saginaw Stamping & Tool Co., Saginaw, Mich.; bomb equipment and accessories; \$36,000.

Schacht Rubber Co., Noblesville, Ind.; rubber track blocks for tanks; \$65,000.

Scoular-Bishop Grain Co., Kansas City, Mo.; storage of grain; \$2,000.

Scovill Manufacturing Co., Waterbury, Conn.; cartridge cases, boosters, and fuzes; \$22,000.

Shell Oil Company, Inc., New York, N. Y.; acetone, butadiene, isopentane, and alkylate; \$3,302,000.

Sonken-Galama Corporation, Kansas City, Kans.; smelting and fabrication of metal products; \$18,000.

Spartan Aircraft Co., Tulsa, Okla.; training of pilots and mechanics; \$12,000.

Sperry Products, Inc., Hoboken, N. J.; torpedo directors, hydraulic controls and magnetic compasses, \$31,000.

Stacy Machine Works, Inc., Springfield, Mass.; machine tool parts; \$7,000.

F. M. Stamper Co., Moberly, Mo., dried eggs; \$56,000.

Standard Parachute Corporation, San Diego, Calif.; parachutes and parts; \$10,000.

Stewart-Warner Corporation, Chicago, Ill.; fuzes; \$3,000.

Stratton Grain Co., Milwaukee, Wis.; storage of grain; \$112,000.

\$194,432,502 War Department contracts cleared August 21 through August 27

Defense contracts totaling \$194,432,502 were awarded by the War Department and cleared by the Division of Purchases, Office of Production Management, during the period August 21 through August 27. This compares with a total of \$165,272,695 for the previous week.

Contracts for construction amounted to \$52,692,997; contracts for ordnance to \$23,894,007; contracts for aircraft to \$106,023,431 and contracts for equipment and supplies to \$11,822,067.

A compilation of contract announcements for the week follows:

ORDNANCE

J. B. Beaird Corporation, Shreveport, La.; shells; \$1,976,000.

Standard Container Co., Inc., Bloomfield, N. J.; packing accessories; \$2,912,650.

Jacks-Evans Mfg. Co., St. Louis, Mo.; metallic belt links; \$964,800.

Stearns-Roger Mfg. Co., Denver, Colo.; lathes; \$830,400.

New Britain Machine Co., New Britain-Gridley Machine Division, New Britain, Conn.; automatic screw machines; \$4,467,315.

Hercules Powder Co., Wilmington, Del.; management services, training personnel, operating plant and 1 year's production of TNT; \$12,742,842.

AIRCRAFT

Wright Aeronautical Corporation, Paterson, N. J.; miscellaneous parts for aeronautical engines; \$19,268,820.

North American Aviation, Inc., of Texas, Dallas, Tex.; airplanes and spare parts; \$6,980,613.

Fleetwings, Inc., Bristol, Pa.; airplanes and spare parts; \$4,555,614.

Bell Aircraft Corporation, Buffalo, N. Y.; airplanes and spare parts; \$75,218,384.

CONSTRUCTION

B. Turecamo Contracting Co., Inc., Brooklyn, N. Y.; construction of runway paving, Westover Field, Chicopee Falls, Mass.; \$532,041.

Two contractors: T. M. Strider Co., Nashville, Tenn., and Weymouth Construction Co., Milwaukee, Wis.; construction of the Tullahoma Air Field at Camp Forrest, Tenn.; \$1,201,198.

Three contractors: John McShain, Inc., Philadelphia, Pa., Doyle and Russell, and Wise Contracting Co., both of Richmond, Va.; construction of new War Department Office Building in Arlington, Va.; contract on a cost-plus-a-fixed-fee basis and amount will

be determined by plans for building as finally completed.

Stone and Webster Engineering Corporation, New York, N. Y.; designing, constructing, and procuring equipment for a TNT plant to be known as Volunteer Ordnance Works, Chattanooga, Tenn.; \$34,245,732.

McQuay-Norris Manufacturing Co., St. Louis, Mo.; additional contract for equipping and operation of St. Louis Small Arms Plant, St. Louis, Mo.; \$1,720,267.

Robert E. McKee, El Paso, Tex.; contract for additional work at Aviation Mechanics' School, Wichita Falls, Tex.; \$7,565,565. (Total contract now \$12,442,459.)

Three contractors: C. S. Lambie Corporation, Amarillo, Tex., W. S. Moss, Lubbock, Tex., and Holland Page, Austin, Tex.; construction for necessary facilities for an Advanced Twin Engine Flying School, Lubbock, Tex.; \$3,973,365.

Three contractors: Gulf Bitulithic Co., Houston, Tex., Austin Road Co., Dallas, Tex., and Texas Bitulithic Co., of Dallas, Tex.; supplementary contract for grading, drainage, etc., at Ellington Field, Tex.; \$1,877,795. (Total contract on this project now \$2,942,219.)

Senior and Palmer, Inc., New York, N. Y.; housing and miscellaneous facilities at Air Field, Pine Camp, N. Y.; \$758,500.

Wolfe-McLeod, Jacksonville, Fla.; construction of access roads at Camp Blanding, Fla.; \$828,534.

EQUIPMENT AND SUPPLIES

International Harvester Co., Ft. Wayne, Ind.; 2½-ton dump trucks; \$1,051,490.

U. S. Rubber Co., Mishawaka, Ind.; 692,000 raincoats; \$2,671,120.

Studebaker Corporation, South Bend, Ind.; spare parts; \$942,182.

Crawford-Austin Mfg. Co., Waco, Tex.; 260,000 folding canvas cots; \$1,028,800.

Shell Oil Co., Inc., New York, N. Y.; fuel; \$789,064.

Shell Oil Co., Inc., San Francisco, Calif.; fuel; \$714,016.

Western Electric Co., Inc., Kearny, N. J.; radio receiving and transmitting components; \$1,611,448.

Teletype Corporation, Chicago, Ill.; teletypes; \$3,013,947.

SERVICE CONTRACTS

New York Central Co., New York, N. Y.; architectural and engineering services in connection with construction of Voorheesville, N. Y., General Depot and Regulating Station.

Hercules Powder Co., Wilmington, Del.; management services, procurement of equipment and operation of anhydrous ammonia plant to be known as Missouri Ordnance Works at Louisiana, Mo. (Value not stated.)

F. S. Currie, San Bernardino, Calif.; architectural and engineering services contract for preparing the plans and drawings for the Army Air Field at Lemoore, Calif.

United States Rubber Co., New York, N. Y.; foam sponge cushions; \$1,000.

Utica Drop Forge & Tool Corporation, Utica, N. Y.; hand tools; \$71,000.

Van Norman Machine Tool Co., Springfield, Mass.; milling machines and grinders; \$181,000.

Edward Weck & Company, Inc., Brooklyn, N. Y.; surgical instruments; \$2,000.

Welding Engineers Inc., Philadelphia, Pa.; weldments and base rings for gun mounts; \$17,000.

The Whitney Chain & Mfg. Co., Hartford, Conn.; plug and ring thread gages; \$90,000.

Worthington Pump & Machinery Corporation, Harrison, N. J.; diesel engine power units, pumps, and compressors; \$502,000.

Zahn Grain Co., Sharon, Okla.; storage of grain; \$5,000.

Texas & New Orleans Railroad Co., Houston, Tex.; transportation; \$1,000.

The Henry G. Thompson & Son Co., New Haven, Conn.; band saw blades; \$4,000.

The Timken Roller Bearing Co., Canton, Ohio; electric furnace steels and roller bearings; \$1,521,000.

Transit Grain & Commission Co., Fort Worth, Tex.; storage of grain; \$30,000.

Trenton Transit Co., Trenton, N. J.; transportation; \$150,000.

Union Hardware & Metal Co., Los Angeles, Calif.; distributor of supplies; \$150,000.

Union Pacific Railroad Co., Omaha, Nebr.; transportation; \$1,000.

U. S. Hammered Piston Ring Co., Inc., Stirling, N. J.; aircraft piston rings and engine parts; \$28,000.

TRANSPORTATION . . .

We mustn't lose battle "for want of a nail for the shoe of the iron horse"—Budd

The dread sequence of events chronicled by Poor Richard must not happen here "for the want of a nail for the shoe of the iron horse," Transportation Commissioner Budd, OEM, told the National Association of Railroad and Utilities Commissioners August 26 in St. Paul. Excerpts from his speech follow:

Traffic had been increasing for about a year at the time the (Transportation) office was established, and early consideration was given to the probable further increase in traffic and how rapidly it would come. For this purpose the Bureau of Research and Statistics of the Advisory Commission, the Bureau of Railway Economics, the Shippers' Regional Advisory Boards, and others have prepared estimates of future demands from time to time. It is well known that all such estimates have been revised upwards to keep pace with the enlarged defense program. Knowledge of what to prepare for continues to be most important, but it is also most difficult to determine with any degree of accuracy.

Program will fall 20,000 cars short

Speaking now of railroads, because they are handling about two-thirds of the country's traffic, on June 1, 1940 they owned a total of 1,648,696 freight cars. In July 1940 it was decided that the ownership should be built up to 1,700,000 cars by October 1, 1941. Normally, about 80,000 cars are retired every year through age or accident, but it was decided to repair as many of the old cars as practicable so that they could be used for four or five years longer. In this way retirements have been reduced by about one half. The new car building program in order to raise the ownership to 1,700,000 called for about 100,000 new cars by October 1, 1941. From June 1, 1940 to June 1, 1941, orders were actually placed for 112,320 cars. Owing to inability to obtain material for carrying out this car building program, I regret to say that on October 1, 1941 the program will fall about 20,000 cars short.

1,800,000 planned for October 1942

Early this year, plans were made to bring the total railroad ownership to 1,800,000 cars by October 1, 1942. If this goal is to be reached, about 160,000 new

cars must be built between October 1, 1941 and October 1, 1942.

There is a phase of the program for better utilization of equipment in which the shippers and the regulatory bodies are not able to participate and cannot be expected to assist or cooperate, and that is the maintenance of the properties in good condition so as to render full and efficient service. This is a duty of the carriers themselves.

In ordinary times an increase in traffic such as has taken place would be provided for by them without any question. At present a serious complication has arisen through the control of steel and other metals by the issuance of Government priority orders. This has interfered seriously with carriers of all types in obtaining materials and supplies for current maintenance, and for making necessary additions to their plants. I have already referred to the inability of the railroad car builders to keep up the car building program. This program is now being carried on at about one-half the scheduled rate set up to meet the needs of anticipated traffic. That lag means that the proposed expansion to 1,800,000 cars by October 1, 1942, will fall 100,000 short unless some way is immediately found to supply more steel, iron, lumber, and other essential material to the railroads and to the car builders. New locomotives are also badly behind promised delivery dates. Deliveries of maintenance and repair parts not only for cars, but also for locomotives, and to a necessary extent for repair to tracks, bridges, and structures have slowed down and now threaten seriously to impair the operation of the railroads. It is true the roads have not failed yet, and their record to date indicates that they will not fail if arrangements can be made promptly for securing the necessary material, but otherwise failure is inevitable.

Must solve priority problem

No one unfamiliar with the almost insuperable difficulties of allocating essential materials to the hundreds of thousands of users engaged in all degrees of defense work, can appreciate the priority problem. Upon its solution, however, depends the continued success of the national transportation system. If our industries as a whole may be considered

as a vast factory, the various transportation agencies constitute the conveyors, and it is as necessary to maintain them as it is to keep the conveyors in good condition in the factory line.

The great precision of our mass production methods enables this national production line to extend from one end of the country to the other. Some parts of the same bomber or tank or shell or automobile may be made in the East, some in the North, some in the South, and others in the West, but when all of them finally are brought together in the assembly plant the finest machine, involving the most precise integration, will result.

Poor Richard said:

"For the want of a nail the shoe was lost,
For want of a shoe the horse was lost,
For the want of a horse the rider was lost,
For want of a rider the battle was lost,
For the want of a battle the kingdom was lost—
And all for the want of a horseshoe nail."

Today we must not permit any such thing to happen for the want of A Nail For The Shoe Of The Iron Horse.

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CARLOADINGS INCREASE

Railroad revenue freight carloadings during the week ended August 23 totaled 899,750 cars, an increase of 18.2 percent over the 761,108 cars loaded during the corresponding week in 1940 and an increase of 9,376 cars or 1.1 percent over the preceding week when loadings totaled 890,374 cars. Increases over the corresponding week in 1940 were recorded in all major commodities with the exception of grain and grain products which showed a decrease of 1.5 percent, and livestock which showed a decrease of 11.1 percent. The details follow:

CARLOADINGS—WEEK ENDED AUGUST 23

	1941	1940	Percent Increase
Grain and grain products.....	42,625	44,310	1.5
Livestock.....	12,013	13,511	11.1
Coal.....	169,653	134,892	25.8
Coke.....	12,979	10,634	22.1
Forest products.....	50,445	38,038	18.5
Ore.....	77,019	69,986	17.7
Merchandise l. c. l.....	157,102	151,190	3.9
Miscellaneous.....	376,914	298,547	26.2
Total.....	899,750	761,108	18.2
Cumulative (34 weeks).....	26,811,593	22,686,143	18.2

¹ Decrease.

HEALTH AND WELFARE . . .

Unified assignment of doctors, dentists sought as recruiting drains localities

Plans have been approved for the mobilization of physicians and dentists to meet the special demands for medical care which may arise as the national defense effort approaches its maximum, Paul V. McNutt, Federal Security Administrator and Coordinator of Health, Welfare and Related Defense Activities, announced August 29.

"The major principle of the plans, which recognizes the need for a systematic approach to the mobilization of the medical resources of the country," Mr. McNutt stated, "has the full sanction of the American Medical Association, as

well as that of the Health and Medical Committee of my office, and steps are being taken through appropriate channels to obtain necessary enabling legislation."

Community resources drained

"Already," the Administrator said, "the demands for physicians and dentists imposed by the needs of the Army and Navy particularly, and to only a slightly lesser degree, by the major defense industries, have resulted in recruitment policies which are seriously draining many communities of their medical personnel. In the event of full mobilization, the problem will inevitably become critical.

"Obviously the principal need is for a general recruitment program which takes into account such factors as the distribution of physicians and dentists in relation to the population of the communities in which they reside, their training and experience, and their availability for service in the defense program."

A single assignment agency

"To administer the mobilization of medical and dental personnel, a single recruitment and assignment agency would be set up in cooperation with the Army, Navy, and the Public Health Service," Mr. McNutt said.

"The plans for this service are designed to meet," the Administrator emphasized, "both military and civilian needs."

The Administrator explained that the advisability of establishing such an agency has been under lengthy consideration by the Health and Medical Committee. After this group had reached an agreement, the proposal was submitted to the American Medical Association by Dr. Irvin Abell, of Louisville, Ky., chairman of the Health and Medical Committee.

The American Medical Association adopted a resolution recommending that "The U. S. Government be urged to plan and arrange immediately for the establishing of a central authority with representatives of the civilian medical profession to be known as the Procurement and Assignment Agency."

English model proposed

Mr. McNutt said the proposed central agency probably would be modeled along the lines of an organization created for this purpose in England and known as the Medical Procurement Board, which represents civilian and military authorities. Much of the basic information which would be applied to an intelligent procurement program of doctors and dentists has already been obtained by the American Medical Association and the American Dental Association. The Administrator stated that the real essence of the plan is to set up under official auspices a body which can make the fullest use of this information.

Besides Dr. Abell, the Health and Medical Committee is composed of Surg. Gen. James C. Magee, U. S. Army; Surg. Gen. Ross T. McIntire, U. S. Navy; Surg. Gen. Thomas Parran, U. S. Public Health Service; and Dr. Lewis H. Weed, National Research Council.

WPA undertakes removal of rails from streets; OPM to direct disposal of steel

Howard O. Hunter, Commissioner of Work Projects, announced August 27 a program for removal of abandoned, publicly owned streetcar rails by WPA to salvage the steel for defense production.

He directed all State WPA administrators to expedite requests of local governments for assistance and to give the work first priority in the WPA program. The plan was prepared at the request of Ralph Budd, Transportation Commissioner of the Office for Emergency Management, who has estimated that more than 200,000 tons of publicly owned rails alone lie abandoned in city streets.

City must cooperate with OPM

WPA rail-removal operations under this program are conditional on the local government's submitting a statement that it will dispose of the steel as directed by the Office of Production Management and a certificate that the rails are public and not traction company property.

To assure maximum returns in steel for defense, Mr. Hunter also urged cities where rail removal operations are currently being carried out under WPA projects to dispose of the scrap metal as desired by OPM. Salvaged car rails are

considered an important type of scrap steel because they can be formed into other articles with a minimum of processing.

Unit can restore street

Under the plan as outlined by Mr. Hunter, a local government which already has a WPA street project may set up a unit of the project for rail removal and restoration of the street to a serviceable condition. Where there is no current street project, prompt consideration will be given an application for a WPA rail-removal project.

Under arrangements with OPM, the scrap will be shipped by the local government, charges collect, to a steel mill or other assembly point designated by OPM. The steel company will send the city a check at the maximum mill price established by the Office of Price Administration after deducting the transportation cost. The city will apply the receipts as a sponsor's contribution toward the cost of the WPA project.

Mr. Hunter stated that for the present the program need not be extended to the removal of rails which are completely embedded in permanent pavements where the condition of the pavement does not warrant restoration in the near future.

AGRICULTURE . . .

(Information furnished through Office of Agricultural Defense Relations,
U. S. Department of Agriculture)

Plans for food production in 1942 to be discussed throughout U. S.

Plans for assuring the production of sufficient food in 1942 both for the United States and for countries resisting aggression will be the chief business of four regional agricultural conferences scheduled for September in line with agriculture's effort to carry out its share of the defense work.

Representatives of the Department of Agriculture, the State Agricultural Planning Committees, chairmen and members of the State USDA Defense Boards, representatives of farm organizations, and others will participate in the conferences. All the 48 States will be represented at one or another of the two-day sessions.

Wickard to attend

Secretary of Agriculture Claude R. Wickard plans to attend each conference. Following are the places where con-

ferences will be held, the dates, and the States that will take part:

Salt Lake City, September 15 and 16— Washington, Oregon, Idaho, Montana, Wyoming, Colorado, Utah, Nevada, California, Arizona, and New Mexico.

Chicago, September 18 and 19—North Dakota, South Dakota, Nebraska, Kansas, Missouri, Illinois, Iowa, Wisconsin, Minnesota, Michigan, Indiana, and Ohio.

New York City, September 24 and 25— Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, Pennsylvania, Delaware, New Jersey, Maryland, and West Virginia.

Memphis, September 29 and 30—Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Texas, Arkansas, Oklahoma, Tennessee, and Kentucky.

Poultrymen asked to save 139,000 pounds of aluminum

The Department of Agriculture has announced that poultry breeders, commercial hatcheries, and poultry marketing agencies throughout the Nation are being asked to save and return all used aluminum wing and leg bands for reprocessing into wing bands for future use. The bands are used to identify poultry breeding birds.

At the same time, the Department announced through its Poultry Committee that the poultry industry had already agreed to use substitutes for the aluminum normally used in leg bands. No satisfactory substitute has been found for aluminum as wing bands.

This program of conservation and substitution is making it possible for the industry to operate with about 11,000 pounds of aluminum, only 7 percent of the 150,000 pounds used last year for wing and leg bands. The 11,000 pounds are being made available to the industry over a period of several months by the Office of Production Management for exclusive use as wing bands. This poundage will supply more than 7 million wing bands.

OPM is releasing aluminum for this special purpose because eggs are one of the important defense foods, and poultrymen are being urged to do a better job of management, breeding, and feeding.

The conservation and substitution program was worked out cooperatively by the Poultry Committee, the Office of Agricultural Defense Relations, the OPM, and the Office of Price Administration and Civilian Supply.

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Forest chief scores needlessly destructive cutting

In order to meet essential defense demands, the rate of timber cutting all over the country is growing by "leaps and bounds," according to Earle H. Clapp, acting chief of the Department of Agriculture's Forest Service.

"Most of this cutting is destructive, when it could easily be constructive," Clapp said in an address at Cody, Wyo., commemorating the 50th anniversary of the first national forest.

Clapp called for bold, drastic conservation measures, including Nation-wide regulation of timber cutting to stop further destruction and deterioration.

Simple flue gas analyzer saves 12.6 percent of heating oil in test

A saving of more than one-eighth in the amount of fuel oil used in heating homes can be made by proper adjustment of the burner with an instrument known as a flue gas analyzer, says the Department of Agriculture. The analyzer, an inexpensive instrument, can be operated successfully by the average service man.

Since the vast majority of the 2,000,000 house-heating oil burners are east of the Alleghenies, this new economy can be of great importance in solving a defense problem in the region where there is the most likelihood of an oil shortage.

Correct mixture reduces consumption

Studies of the various types of oil burners by the Bureau of Agricultural Chemistry and Engineering show that the relative amounts of air and oil supplied to the oil-burner fire greatly affect the efficiency of the burner and, of course, the fuel consumption. According to A. H. Senner, engineer in charge of this research work for the Bureau, the best way to take advantage of this knowledge of burner operation is by use of the analyzer.

After analysis with this simple instrument, any burner can be quickly set to give its maximum efficiency. The appearance of the flame cannot be used as a measure of efficiency, Mr. Senner says, since air leaking through ill-fitting doors and poorly sealed boiler sections can lower efficiency without changing the flame.

Demonstrated in 7,000 homes

A practical, large-scale demonstration of the value of flue-gas testing for this purpose was made during the 1940-41 heating season by a Baltimore oil company servicing more than 7,000 home-heating burners. The company equipped its service men with flue-gas analyzers and adjusted all of the burners. Analysis of the results at the end of the heating season showed an average saving of 12.6 percent. This figure was obtained after due allowance had been made for the reduction of oil consumption resulting from higher average outside temperatures over the previous year. The company records were analyzed by the research engineers and found correct.

HOUSING . . .

700 dormitory units ready in Hawaii; week's completions of defense homes, 1,403

Over 1,800 homes for defense workers and enlisted personnel were allocated, 1,403 completed, and 835 placed under construction contract the week ending August 23, Charles F. Palmer, Coordinator of Defense Housing, announced.

Allocations were made for 400 homes for civilian workers and 85 for enlisted personnel in Long Beach, Calif., 350 in Rockford, Ill., and 200 in Freeport, Tex., for civilian defense workers. In addition, 362 homes at Newport News, Va., and 300 at Keyport, Wash., were allocated for civilian workers and enlisted personnel. All of these homes were assigned to the Federal Works Agency for immediate construction.

284 completed at Charleston

Among the completions reported for the week are 284 homes at Charleston, S. C., constructed by the United States Housing Authority for civilian workers. The Public Buildings Administration constructed 199 homes for enlisted personnel at Tampa, Fla., 98 at Orlando, Fla., and

100 for civilian workers at Wichita, Kans.

Construction contracts were let in Fairfield, Conn., for 200 homes, New Britain, Conn., for 200 homes, and Bridgeport, Conn., for 150, under the supervision of the Federal Works Agency. These homes are for civilian defense workers.

700 dormitory units finished

Progress was reported in the temporary shelter program, with 700 dormitory units completed by the Navy in Hawaii for civilian defense workers. In addition, 100 trailers were allocated for defense workers employed at the Ordnance Depot at Umatilla, Oreg.

As of August 23, homes numbering 111,545 had been allocated for defense workers and enlisted personnel. More than 80,000 of these homes have been placed under construction contract, and approximately 31,000 have been completed. In addition, 4,254 trailers and 9,591 dormitory units have been allocated. Of these, 1,675 trailers and 4,931 dormitory units have been completed.

STATUS OF PUBLIC DEFENSE HOUSING CONSTRUCTION, AUG. 23, 1941

	Funds allocated		Contracts awarded		Completed	
	Aug. 23	Aug. 16	Aug. 23	Aug. 16	Aug. 23	Aug. 16
Number of States and territories.....	49	49	47	47	35	34
Number of localities.....	176	171	158	157	90	87
Number of projects.....	428	420	292	286	129	123
Number of family dwelling units (regular).....	111,545	109,688	81,285	80,450	30,883	29,480
Civilian industrial workers in private defense industry.....	50,915	49,515	31,523	30,788	7,782	6,827
Civilian industrial workers in Government plants.....	19,201	19,201	15,597	15,597	4,194	4,194
Other civilians, employed by the Army and Navy.....	10,642	10,642	8,804	8,804	3,660	3,660
Married enlisted personnel.....	30,787	30,830	25,361	25,261	15,247	14,799
Number of family dwelling units (trailers).....	4,254	4,154	3,634	3,634	1,675	1,675
Civilian industrial workers in private defense industry.....	3,634	3,534	3,234	3,234	1,675	1,675
Civilian industrial workers in Government plants.....	620	620	400	400	-----	-----
Number of units for single persons.....	9,591	9,591	7,124	7,124	4,931	4,231

NUMBER OF NEW HOMES STARTED UNDER FHA INSPECTION

Jan. 1, 1941, through Aug. 23, 1941.....	142,333
Week ended Aug. 23, 1941.....	5,261

U. S. nurses to help Ecuador in public health, welfare work

The Office of the Coordinator of Inter-American Affairs announced August 28 that two public health nurses would go to Quito, Ecuador, at the request of the government of Ecuador to assist in public health and maternal and child welfare programs in that country.

The nurses are being sent by the Coordinator's Office in collaboration with the Pan American Sanitary Bureau and with the assistance of the United States Public Health Service and the Children's Bureau of the United States Department of Labor.

The two nurses are Miss Anne B. Cacioppo, of New York, and Miss Bertha Maura Marsch, of San Antonio, Tex. They were to sail from New York on the SS Santa Elena on August 29.

Defense homes allocated are equal to total of houses in eight cities

The number of new homes for defense workers and families of enlisted men for which Government funds have been allocated reached 111,383 on August 23, 1941. This figure is equivalent to the total number of houses in the following cities combined—Salem, Mass.; Pasadena, Calif.; Mobile, Ala.; Charlotte, N. C.; Reno, Nev.; Joliet, Ill.; Canton, Ohio; and Little Rock, Ark.

California leads the list of States, with allocations made for 13,925 new homes. These are necessary because of the enormous expansion of the aircraft industries and others, and military and naval activity in the State.

The second largest number of new homes will be built in Pennsylvania, where allocations have been made for 13,055. Steel plants, shipbuilding, and varied manufacturing activities account for the need of these homes.

Virginia, with 9,202, Maryland, with 6,525, and Connecticut, with 5,525 houses to be built by the Government, finish the list of the top 5 States. Next are Texas, 4,975; New Jersey, 3,865; Washington, 3,837; Hawaiian Islands, 3,362, and Florida, 3,264.

67,535 in 10 States

Allocations for those 10 States total 67,535.

Following is a list of the remaining States and Territories in which housing has been programmed, with the number of homes for which Government funds have been made available:

Alabama, 2,354; Arizona, 265; Colorado, 175; Delaware, 20; District of Columbia, 1,470; Georgia, 2,252; Idaho, 100; Illinois, 2,216; Indiana, 2,275; Iowa, 575; Kansas, 1,515; Kentucky, 950; Louisiana, 1,044; Maine, 350; Massachusetts, 1,900; Michigan, 1,680; Mississippi, 1,025; Missouri, 950; Nevada, 175; New Hampshire, 1,644; New Mexico, 100; New York, 2,527.

Also, North Carolina, 2,610; Ohio, 3,250; Oklahoma, 150; Oregon, 170; Rhode Island, 1,924; South Carolina, 2,356; South Dakota, 35; Tennessee, 1,350; Utah, 150; West Virginia, 950; Wisconsin, 400; Alaska, 1,080; Canal Zone, 2,425; Cuba, 200; Puerto Rico, 1,180; Samoa, 6; Virgin Islands, 50.

CIVILIAN DEFENSE . . .

Mission returns from England, makes 25 preliminary recommendations

The American Civil Defense Mission which has been in England studying the effect of total war on the civilian populations presented last week to Mayor F. H. LaGuardia, Director of the Office of Civilian Defense, its preliminary report and recommendations.

The mission, which left New York on the Clipper July 12, and returned August 17, observed all phases of civilian defense in virtually every part of England. Members of the mission, which consisted of two police officers, two city engineers, a health commissioner, and an expert on housing and building, all outstanding authorities in their own fields, reported that they had received all possible cooperation from English officials. "Many British subjects," they said, "expressed their appreciation for what the United States is contributing to the war."

Twelve of recommendations in effect

Twelve of the mission's recommendations to Mayor LaGuardia are already in operation and five others are under study. Each member of the group will soon submit a comprehensive report and recommendations based on his particular study, including the preparation of material for such technical, detailed pamphlets as may be required.

The mission recommended continuation of the present organizational set-up of regional directors of civilian defense coordinated with local authorities, State and municipal administrative personnel being selected locally but subject to confirmation by the Director of the U. S. Office of Civilian Defense. It urged that the nucleus of civilian defense personnel should be paid, full-time employees, supplemented by part-time volunteers, and that whenever possible operational functions such as the work of air wardens be placed under the direct control of the police.

Fire, police exemptions urged

The mission's report recommended that "provision should be made for the exemption from military service of necessary civilian defense personnel, including the fire and police services." The matter of such exemptions already has been studied by OCD. The mission also re-

ported that the fingerprinting of the entire population of the U. S. for identification of casualties is "deemed necessary" and that there should be a special attaché representing the OCD at the U. S. Embassy, London.

Members of the Mission

Capt. Donald S. Leonard, of the Michigan State Police; Harry M. Prince, consulting architect of the New York Housing Authority; Glenn C. Richards, Secretary of the Department of Public Works, Detroit; Major Frank M. Roessing, Director of the Department of Public Works, Pittsburgh; Arthur W. Wallander, Deputy Chief Inspector, New York Police Department; and Huntington Williams, M. D., Commissioner of Health, Baltimore.

Text of the mission's report follows:

I. Organization and personnel: Continuation of the present organizational set-up of regional directors of civilian defense areas coordinated with local authorities is recommended. Administrative personnel in both States and municipalities should be selected locally but subject to confirmation by the Director of the U. S. Office of Civilian Defense.

II. Voluntary, compulsory, paid services: The nucleus of civilian defense personnel should be paid, full-time employees, supplemented by part-time volunteers. In the event of war, there should be proportionate increase of paid workers and consideration should be given to compulsory retention of all personnel for the duration.

Discipline must be maintained

III. Discipline and rank: It is essential that civilian defense forces maintain proper discipline and that ranks be established within the organization.

IV. Warden and auxiliary services: That whenever possible, the operational functions of civilian defense services should be supervised by the police; and that the wardens, incident officers, shelter marshals, and messengers be placed under their direct control.

V. Military exemption of civilian defense personnel: Provision should be made for the exemption from military service of necessary civilian defense per-

sonnel, including the fire and police services.

VI. Mutual assistance: Plans for mutual aid and assistance should be developed between all local and regional authorities.

Training schools for instructors

VII. Training schools: Immediate steps should be taken to establish central and regional training schools for the purpose of training instructors and lecturers.

VIII. Research laboratory: A national testing and experimental research laboratory dealing exclusively with problems of civilian defense should be established.

IX. Primary services: Chief consideration in setting up facilities for civilian defense should be given to water, fire-fighting apparatus, and communications.

X. Medical services: Physicians, first-aid workers, ambulance and hospital services, should be very closely integrated. Flexibility in these medical services is essential to meet unpredictable local situations. The "Incident Doctor" is very valuable in the vital matter of the morale of casualties and workers. The U. S. Public Health Service should collaborate actively with the Office of Civilian Defense in the regional administration of medical services. The Medical Research Council should aid in the work and studies of the Office of Civilian Defense.

XI. Organization charts: Typical charts for local civilian defense should be prepared for distribution to State and local authorities where needed.

XII. Maps, inventories, surveys: All municipalities should be urged to start the immediate preparation of the following: A. Complete maps; B. Inventories of all important repair supplies for public utilities; C. Stocks for emergency repairs; D. Surveys of buildings and structures.

Guarding vital points

XIII. Protection of sensitive points: Plans should be made for the use of military police as guards for the protection of sensitive points, to supplement the city, county, and State police.

XIV. Shelters: Complete plans should be available for building of shelters in vulnerable areas, in the event that the use of shelters is found to be necessary.

XV. Evacuation and rehousing: Plans

should be made to study the best method of providing maximum protection for children in danger zones. This should include a survey of reception areas and facilities.

XVI. Requisition of properties: The police or other designated authority should immediately earmark buildings for requisitioning for civilian defense purposes.

XVII. Air raid warning: A plan of air raid signals should be worked out in every detail.

Cooperation with Communications Board

XVIII. Communications: Liaison should be completed with Defense Communications Board for immediate report on communication facilities available for civilian defense purposes. The use of ultra-high two-way voice radio is recommended for communication between bombing incident and control center; also for emergency point to point communication when line service fails.

XIX. Bulletins and pamphlets: Copy for bulletins, pamphlets, and posters covering civilian defense should be prepared now so that it will be available for printing when necessary. It is strongly recommended that nonofficial publications relating to civilian defense should be discouraged.

XX. Vital records: Consideration should be given to the duplicating and safe storing of vital records.

XXI. Casualty bureau: One central casualty clearing bureau should be established for each local authority or municipality under control of the police for identifying and recording the injured and dead.

Finger printing found necessary

XXII. Finger printing: Finger printing of entire population for identification of casualties is deemed necessary.

XXIII. Office of Civilian Defense Attaché, U. S. Embassy, London: There should be a special attaché at the U. S. Embassy, London, representing the Office of Civilian Defense. This is necessary for the prompt reporting and exchanging of improved techniques in civilian defense.

XXIV. Priorities: High priorities should be established for the purchase of supplies and equipment for civilian defense.

XXV. Blackouts: Further study in conjunction with the military should be made as to the advisability of complete blackouts or lighting control, under war conditions.

Pamphlet describes working program for emergency medical service

The first of a series of pamphlets outlining medical provisions for civilian defense, designed for the organization of emergency medical field units, entitled "Emergency Medical Service for Civilian Defense" Bulletin No. 1, was issued August 27 by the Office of Civilian Defense.

English experience cited

In a foreword to the pamphlet, OCD Director, LaGuardia, quotes from a similar official bulletin issued in England in 1938, prior to the beginning of hostilities as follows:

"The need for (these measures) is not related to any belief that war is imminent. It arises from the fact that the risk of attack from the air, however remote it may be, is a risk that cannot be ignored, and because of preparations to minimize the consequences of attack from the air, cannot be improvised on the spur of the moment but must be made, if they are to be effective, in time of peace."

Mayor LaGuardia concludes his preface to the pamphlet as follows: "Whether or not we regard danger to the lives and property of our people as imminent, I would urge that immediate steps be taken to carry out these recommendations of the Office of Civilian Defense in every State along our seaboard and in industrial areas in the interior."

Medical field units held fundamental

The pamphlet declares that providing for medical service to casualties through establishment of medical field units must be a fundamental part of the civilian defense program. The pamphlet describes in detail the basic organization plan of the Emergency Medical Service under the following subheadings:

1. Local Chief of Emergency Medical Service (responsible for coordinating all local emergency medical facilities.)
2. Local Medical Advisory Council on Civilian Defense (includes representation from the health department, hospital field, local Red Cross Chapter, and municipal and volunteer agencies).
3. Emergency Medical Field Units.

Under each subheading the functions of the several divisions are described in detail.

The pamphlet prescribes the personnel of the Emergency Field Unit, divided into squads on call for each 12 hour shift, including physicians, nurses, and nursing auxiliaries.

The squads are designed for communities varying in population from 25,000, 50,000 and 100,000.

Monthly drills urged

Under the heading, "Casualty Stations and First Aid Posts," the Bulletin describes the operation of these Emergency Medical Field Units as follows: They respond promptly to the call of the control center and are dispatched from the nearest hospitals in ambulances or other vehicles. They establish Casualty Stations at certain predetermined sites in the vicinity of the disaster. For this purpose, the Chief of Emergency Medical Service will provide a spot map of the community on which is recorded the available sites for casualty stations. From such casualty stations, teams of one or more physicians, nurses and auxiliaries may be split off for the purpose of establishing subsidiary First Aid Posts at other favorable sites.

"Rescue squads" and "stretcher teams" bring the injured out of the danger zone and conduct or transport them on stretchers to the casualty stations and first aid posts. The Bulletin emphasizes the necessity for field drills of these units at least once each month.

Evacuation hospitals

Under the heading "Base and Evacuation or Clearance Hospitals" the Bulletin outlines an inventory to be made by the Chief of Emergency Medical Service of hospitals, convalescent homes and other institutions within a radius of 50 or more miles of each locality. These may be required in the event of an emergency, to release hospital beds within the city.

Under the subheading "Transportation," the pamphlet describes essential means of transporting casualties in station wagons, trucks, ambulances, and passenger vehicles.

The pamphlet concludes with a description of first aid courses which have been revised by the OCD in collaboration with the American National Red Cross. The pamphlet declares it is the purpose of this program to provide first aid instruction at first for 5 percent of the personnel of every factory, business establishment and Governmental department, who should comprise the "First Aid Corps" of their organization. From this group, instruction should spread to all other employees and into every home in the United States.

600,000 words of propaganda daily betray coming events to FCC's radio listeners

Created at the instigation of the Defense Communications Board, the Foreign Broadcast Monitoring Service of the Federal Communications Commission is now recording and reporting on foreign-propaganda short-wave broadcasts from all quarters of the world.

Four listening posts tune in from 600,000 to 900,000 words from abroad daily. One at Portland, Oreg., concerns itself with Far Eastern broadcasts; another, at Kingsville, Tex., listens to Latin-American events; the third, at Santurce, Puerto Rico, watches Eastern European trends, while the fourth, at Guilford, Md., covers the rest of Europe and all of Africa and the Near East.

Work 24 hours a day

Working in three shifts, 24 hours of the day, a special force of technicians, translators, analysts, and other experts watches newscasts, talks, and even musical programs for intelligence and trends, which are speedily reported to Government officials responsible for counter-propaganda, or other action, if necessary.

The work of the Foreign Broadcast Monitoring Service indicates that all propaganda instigated abroad invariably first shows itself in broadcasts. Consequently it is necessary for our Government to have knowledge of the short wave "model."

At the same time, a considerable amount of news and intelligence information comes over the short wave which is not available from other sources, and which must be transmitted immediately to the proper Government officials. The value of short-wave sources increases as

it becomes more difficult to obtain news from various countries by other means.

Broadcasts presage almost every move

Today almost every political, diplomatic, or military move is presaged by

6,700,000 pounds of "pots and pans" already on way toward defense production

A total of 6,700,000 pounds of "pots and pans" donated in the Nation-wide defense aluminum collection by housewives has already moved toward defense production, it was announced August 27 by Production Director Biggers, OPM, and Civilian Defense Director LaGuardia.

This total represents 124 separate Government-directed allocations from concentration points to smelters having defense preference ratings.

OPM has received final reports from 7 States and the District of Columbia, and reports more than three-fourths complete from 10 additional States.

Enough for 2,800 fighting planes indicated

These results to date indicate an estimated average collection of nearly half a pound of scrap per occupied dwelling. This "per family" estimate projected on a Nation-wide basis indicates a national collection of nearly 14,000,000 pounds of "pots and pans."

OPM experts estimate that 14,000,000 pounds of scrap metal would yield about 10,500,000 pounds of aluminum.

shifts in propaganda treatment. Consequently, through study of propaganda trends it is often possible to predict such moves. A new course in policy can be reflected in broadcasts long before it is announced officially, or rumored in the press. Indeed, the altered tone of certain foreign broadcasts gave the first indication that Germany was about to invade Russia, and that Japan intended to occupy Indo-China.

Approximately 2,800 fighting planes could be manufactured from 10,500,000 pounds of aluminum.

On the basis of the present movement of the aluminum scrap, it is expected that final shipments will be completed within the next 3 or 4 weeks.

Actual and estimated totals and averages per dwelling in pounds were:

State	Total scrap collected, pounds	Scrap per occupied dwelling
Rhode Island ¹	204,000	1,088
Utah ¹	100,000	.716
Connecticut ¹	301,140	.673
Massachusetts ¹	700,000	.625
Wisconsin ¹	505,000	.611
Nevada.....	20,000	.600
District of Columbia ¹	84,460	.403
New Jersey ¹	600,000	.546
Minnesota.....	280,000	.386
Indiana.....	365,000	.380
Delaware ¹	25,000	.349
New York.....	1,110,000	.300
Illinois.....	650,000	.296
Virginia.....	210,000	.334
Kentucky.....	140,000	.200
Tennessee ¹	109,801	.153
South Dakota.....	40,000	.242
New Hampshire.....	91,000	.685
Montana.....	57,000	.358

¹Completed.

OFFICE FOR EMERGENCY MANAGEMENT

WAYNE COY, *Liaison Officer*

CENTRAL ADMINISTRATIVE SERVICES: Sidney Sherwood, *Director*.

DEFENSE AID REPORTS DIVISION: Maj. Gen. James H. Burns, *Executive Officer*.

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OFFICE OF CIVILIAN DEFENSE: Fiorello H. LaGuardia, *Director*.

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OFFICE OF PRICE ADMINISTRATION: Leon Henderson, *Administrator*.

CONSUMER DIVISION: In charge of Harriet Elliott, *Associate OPA Administrator*.

SUPPLY PRIORITIES AND ALLOCATIONS BOARD: The Vice President of the United States, *Chairman*; Donald M. Nelson, *Executive Director*; The Secretary of War; The Secretary of the Navy; William S. Knudsen; Sidney Hillman; Harry Hopkins; Leon Henderson.

TRANSPORTATION DIVISION OF THE ADVISORY COMMISSION: Ralph Budd, *Commissioner*.

OFFICE OF PRODUCTION MANAGEMENT: William S. Knudsen, *Director General*, Sidney Hillman, *Associate Director General*, Secretary, Herbert Emmerlich, General Counsel, John Lord O'Brian.

PRODUCTION DIVISION: W. H. Harrison, *Director*.

PURCHASES DIVISION: Douglas L. MacKeachie, *Director*.

PRIORITIES DIVISION: Donald M. Nelson, *Director*.

MATERIALS DIVISION: William L. Batt, *Director*.

CIVILIAN SUPPLY DIVISION: Leon Henderson, *Director*.

LABOR DIVISION: Sidney Hillman, *Director*.

RESEARCH AND STATISTICS BUREAU: Stacy May, *Chief*.

DEFENSE



OFFICIAL WEEKLY BULLETIN OF DEFENSE AGENCIES IN THE OFFICE FOR EMERGENCY MANAGEMENT

WASHINGTON, D. C.

SEPTEMBER 9, 1941

VOLUME 2, NUMBER 36

DEFENSE PROGRESS

MANPOWER

United States Army, Sept. 4-----	1,580,775
Navy and Marine Corps, Aug. 1----	340,931
Nonagricultural workers, July-----	39,241,000
Percent increase since June 1940----	10.8
Sixteen defense industries, July-----	2,544,000
Percent increase since June 1940----	53.8

FINANCE

June 1940-September 5, 1941 (Preliminary)

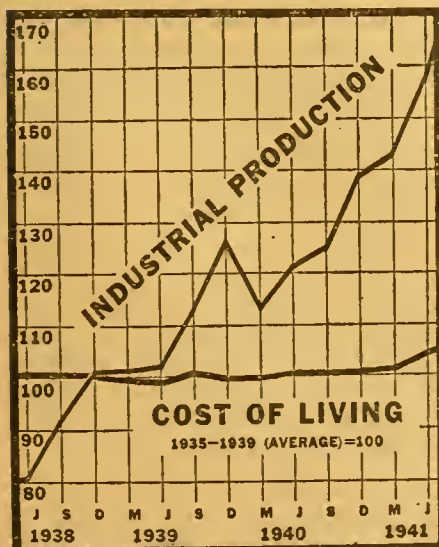
Authorized program-----	\$56,357,000,000
Army-----	24,607,000,000
Navy-----	16,978,000,000
Other agencies-----	14,772,000,000

PRODUCTION

July 1940-August 31, 1941 (Estimated)

Paid on contracts-----	\$7,242,000,000
Military aircraft in August-----	1,854
Combat vessels in July-----	20
Merchant ships in July-----	8

Week ended August 30	Strikes	Workers
Significant defense strikes in progress during week-----	6	14,500
Number settled-----	2	3,700



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Review of the Week in Defense

A renewed drive to spread defense production among small industries via subcontracting was foreshadowed in the creation of a Division of Contract Distribution within the Office of Production Management.

To Floyd B. Odium, the director, was assigned the task, according to a White House statement, "more effectively to adjust the dislocations and alleviate unemployment resulting from priorities and material shortages and bring about maximum use of the nation's factories and industrial plants, especially the smaller ones throughout the nation."

The Defense Contract Service was abolished by the Executive order creating the Contract Distribution Division, but OPM Director General William S. Knudsen stated that all DCS employees would be assigned to the new agency until further notice.

Production reaches new peak

Defense production and spending, meanwhile, were reaching new peaks. OPM announced that 1,854 military airplanes were produced in August. This was a new high and 394 more than the July output.

Expenditures for defense reached \$1,172,000,000 during the same month, a preliminary estimate disclosed. This was an increase of 9.5 percent over July and brought the total spent since July 1, 1940, to \$9,282,000,000.

Following Vice President Wallace's announcement as chairman of the Supply Priorities and Allocations Board that conservation has become increasingly necessary due to the shortage of raw materials, two campaigns were launched by defense agencies.

A national drive to conserve waste paper was started by the Waste Paper Consuming Industries with the endorsement of OPA and OPM. It was to begin in New York, Chicago, and Milwaukee and to spread shortly to 30 other cities, reaching a metropolitan population of 40,000,000.

20 percent more scrap asked

The billion-dollar waste materials industry was asked by OPM to increase its

collections 20 percent, chiefly scrap metals, to insure an adequate supply of materials for defense plants and to relieve shortages facing less essential industries. An industry advisory committee will be set up to direct the drive.

Plans for simplifying the styles of domestic refrigerators to conserve strategic materials needed in defense were considered by a committee of the American Standards Association and the OPA Consumer Division.

As further evidence of the shortage of raw materials, the entire September production of pig iron—4,500,000 tons—was allocated to steel mills, iron foundries, and other users. This meant that none was available for the emergency pool set up August 1.

Priority aid to highways

OPM Priorities Director Nelson also outlined a broad program of priority aid to highway construction in a letter to the Public Roads Administration and eased the rigid restrictions on distribution of silk waste.

OCD Director F. H. LaGuardia, as president of the United States Conference of Mayors, moved to enlist the support of municipal executives throughout the country behind efforts of Price Administrator Leon Henderson in maintaining price ceilings.

LaGuardia said he would recommend revocation of municipal business licenses in instances of persistent violation of OPA price schedules.

Amendments were made by OPA in price schedules governing southern pine lumber and nickel-bearing scrap.

Health Office changed

The unwieldy name of the Office for Coordination of Health, Welfare, Nutrition, and Related Activities was modified by Executive order to the Office of Defense Health and Welfare Services. The new agency was created within the OEM, with the Federal Security Administrator as director.

The OPM silk labor committee adopted six recommendations for relieving unemployment among 175,000 silk industry employees.

The National Defense Mediation Board obtained agreements in two cases, appointed Owen D. Young as special investigator in a third, and received four new cases.

★ ★ ★

Entire September pig iron production allocated

The entire September production of pig iron, approximately 4,500,000 tons, has been allocated to steel mills, iron foundries, and other users, it was announced September 6 by the Iron and Steel Branch of the Office of Production Management.

Pig iron was placed under full priority control in an order dated August 1, issued by the Priorities Division of OPM. This order required, among other things, that stipulated quantities of pig iron be set aside each month for an emergency pool, and that schedules of pig iron shipments to customers be approved in advance by the Priorities Division.

The allocations made during the past week included the pig iron set aside for the pool.

★ ★ ★

U. S. SPENDS \$1,172,000,000 FOR DEFENSE IN AUGUST

Expenditures by the Federal Government for national defense in August were \$1,172,000,000, according to a preliminary computation of checks issued by defense industries and announced September 8 by the Bureau of Research and Statistics, OPM. A new high for monthly defense expenditures, this was an increase of 9.5 percent over \$1,070,000,000 issued in July.

The August increment brings total defense expenditures since July 1, 1940, when accelerated spending for defense began, to \$9,282,000,000.

At the end of August the defense fiscal program—appropriations, contract authorizations, and Reconstruction Finance Corporation commitments for defense—amounted to \$56,357,000,000. If British Government orders for war materials placed in the United States are added, the total comes to \$60,016,000,000.

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Contract Distribution Division created to marshal every possible plant for defense

President Roosevelt on September 4 created within the Office of Production Management the Division of Contract Distribution, in a determined effort to save small business units by putting them to work on defense and thus also to marshal every possible facility for vitally needed production.

Floyd B. Odum was appointed director.

The personnel of OPM's Defense Contract Service will be transferred to the new division, whose functions are described in the following statement from the White House:

The President today, after conferring with Under Secretary of War Patterson, Under Secretary of the Navy Forrestal, Mr. William S. Knudsen and Mr. Sidney Hillman, acting as the Council of the OPM, and with Rear Admiral Emory S. Land, chairman of the United States Maritime Commission, issued an Executive order establishing a new division in the Office of Production Management.

This division is to be known as the Division of Contract Distribution and is to be coordinate with the existing divisions—Procurement, Production, Priorities, Labor and Civilian Supply.

Designed to help smaller business

The conference was held and the Executive order was issued in furtherance of a determined move on the part of the Administration to help the smaller business units of the country obtain a fair share of the defense orders, and to prevent, so far as possible, dislocation of industry and unemployment of workers in plants where production has been curtailed by priorities and material shortages.

The program devised was arrived at in consultation with representatives of the Army, Navy, Maritime Commission, and OPM and has the full support of these agencies.

The Labor Division and the Defense Contract Service of OPM have already done a great deal in starting the machinery of subcontracting and in retraining and obtaining reemployment for discharged workers. The program is now to be greatly expanded throughout each part of the United States, as one of the

most important functions of OPM. The present personnel, records, etc., of the Defense Contract Service of OPM will be transferred to this new division.

Through this Division, the Office of Production Management will be enabled more effectively to adjust the dislocations and alleviate unemployment resulting from priorities and material shortages, and bring about maximum use of the nation's factories and industrial plants, especially the smaller ones throughout the nation. This will be done through four major steps:

1. The breaking down of large orders of supplies into smaller units, and spreading the purchases among more firms and in all localities possible.

2. Providing assistance through the Labor Division of OPM in retraining and obtaining reemployment for workers who are unemployed as a result of the shutting down of some plants or reduction of their output.

3. The effective distribution of defense contracts to the smaller business enterprises, as yet largely unused, through an expanded use of subcontracting, contract distribution, and the pooling of plant facilities.

4. By providing a staff of industrial and production engineers to formulate and execute specific plans for the conversion of nondefense industries and plants to defense production.

The Division of Contract Distribution will have branch offices located in the various States.

To "formulate and promote"

The Division will formulate and promote plans and programs for the purchase of supplies for the Army and Navy in smaller units, but among a greater number of firms and in as many different localities as possible. It will also formulate and develop programs for the conversion of plants and industries from civilian to defense production—with the assistance of the Government wherever necessary. It will formulate the organization and use of local industrial defense production associations, and will promote and stimulate farming out of defense work and sub-contracting, wherever feasible.

The Division of Contract Distribution will provide an industrial engineering staff whose responsibility it will be to obtain the maximum use of existing facilities and tools by assisting manufac-

turers and business enterprises in making the necessary changes in their tools and equipment for effective use in defense production.

The field offices of the Division of Contract Distribution will be adequately staffed to render needed assistance to businessmen. Procurement agencies of the Government will assign representatives to the main office and field offices, as required, for purposes of liaison.

"Bits and pieces" to be exhibited

In the various cities will be established exhibits or "market places" where there will be displayed specific parts—"bits and pieces"—the components needed for defense production. These may be parts of a machine gun or an airplane or tank, or any one of a thousand other items which are needed. These "bits and pieces" will be labeled as to the quantities needed and the machine tools and operations required for their production so that any machine shop owner or manufacturer can determine whether his facilities are capable of producing such items.

Sub-contracting arrangements can then be entered into on the basis of what an individual sees he is capable of doing, receiving then and there the expert industrial and engineering judgment of those whose assistance he may desire.

The Division of Contract Distribution will also provide through the regular commercial banking channels, the Reconstruction Finance Corporation, including the Defense Supplies Corporation and the Defense Plant Corporation, and the Federal Reserve Banks and their branches, the necessary financing facilities for local industrial production associations, prime contractors and subcontractors, and will recommend whenever necessary such additional financial procedures and machinery as may be required to obtain the maximum utilization of existing plant and tool facilities for defense purposes.

The twofold purpose

The Director of the Division is to appoint two advisory committees, one to consist of representatives of small business organizations; the other, to consist of industrial, management and production engineers.

It is intended, on the one hand, to face the responsibility of alleviating the hardships which have resulted from the defense program and, on the other, to marshal our productive capacities to the objective that no plant or tool which can be used for defense shall be allowed to remain idle.

ALLOCATIONS BOARD . . .

Lack of materials "bound" to close some industries, SPAB executive tells press

There is not enough of materials to take care of a realistic all-out defense program and keep every industry alive, Donald M. Nelson, executive director of the new Supply Priorities and Allocations Board, told reporters in a press conference September 2. He promised the Board would have "some real information on that subject." Vice President Wallace, chairman of the Board, suggested a press conference soon to consider in detail the matter of civilian sacrifice.

The policy statement

The September 2 conference, which followed the Board's first meeting, began with a discussion of the policy statement just issued by the new organization.

Mr. Wallace read the statement aloud and discussed the significance of the final phrase: "... In that spirit which holds that none but the free are strong and none but the strong can be free."

Excerpts:

Q. Mr. Vice President, the very first paragraph, it seems to me, there was a sweeping statement made that all men must be employed on defense or essential uses.

What is essential?

Mr. WALLACE. Every man and machine which can be used effectively must be employed either on direct defense requirements or at work essential to the civilian economy. Well, newspapers are essential if that is what you want.

Q. There are many other industries at the moment booming. Does that mean they will be immediately shut down or converted?

Mr. WALLACE. Well, I don't know what you have in mind, I am sure.

Q. Well, we got a favorite around this building, Mr. Vice President. We always talk about automobiles when we talk about industries which are booming and not producing for defense. Of course the OPM—

Mr. WALLACE. Let us take it this way: That, generally speaking, unless something else comes into the picture, in the case of goods in a semiluxury class we would look askance on increased per capita consumption above that which took place, shall we say, in 1937, 1938, 1939.

Q. It is this Board's job, is it not, sir, to take over the functions which have previously been performed jointly and separately by OPM and OPACS on such questions as, let us say—

Mr. WALLACE. Not its functions; not its administrative functions; the policy functions; the policy decisions.

"NONE BUT THE FREE ARE STRONG"

The words "... in that spirit which holds that none but the free are strong and none but the strong can be free," referred to by Vice President Wallace as reported on this page, formed the concluding phrase of the Supply Priorities and Allocations Board's September 2 statement. Lack of space forced omission of the passage containing this phrase when the statement was printed in the September 3 issue of DEFENSE. The omitted portion reads as follows:

THE BOARD believes that if the public knows why it must forego certain comforts; why it must give rather than get; why, in substance, the fat must go and the muscles be strengthened, the cooperation vital to success will be had in full measure.

THUS, in an hour when free men must unite to defend their freedom, we shall move forward in that spirit which holds that none but the free are strong and none but the strong can be free.

Q. Decisions as to production rates of nondefense industries where the goal is to conserve materials for defense?

Mr. WALLACE. Yes, because no one of those agencies really has the power to do it by itself.

The power of priority

Q. (Referring to the Board's statement) Mr. Vice President, you speak of materials which may be hoarded into the cellars and attics of industries and it will be routed out for use where most needed—that means for the first time, then, the OPM is going to go out and grab these inventories?

Mr. WALLACE. You will notice the next sentence indicates—it doesn't necessarily mean we go out and grab because the

next sentence indicates. You see, we got the power of priority. We just take it into account when that industry comes up for next priority.

Q. Maybe you won't want that industry to have priorities.

Mr. WALLACE. That is exactly the point.

"First things first"

Q. I was thinking about supplies that might be too much even to wait for the next priority.

Mr. WALLACE. Well, there might be some extreme cases of that sort. I would say that is rather doubtful.

Mr. NELSON. I don't know of any of those at the present time. I haven't seen any of them. There may be. If they do why we will have to find ways of meeting them.

Mr. WALLACE. Of course, if you get desperately short in some particular raw material, you might.

Mr. NELSON. Definitely you are. Our motto is first things first.

Q. Do you intend to make up a list of less essential industries? Or indicate what they are?

Mr. WALLACE. I don't think we will issue any such list, no.

Q. Could you give what might be considered as essential?

Mr. WALLACE. No.

No "blank-out" list seen in OPM

Q. Mr. Vice President, while we are on that subject, the *New York Times* carried a story this morning quoting this fellow Churney saying that the OPM had listed 40 industries which were to be blanked out as nonessential. Do you know anything about that?

Mr. NELSON. Never heard anything about it.

Q. Well, this was a front page story. It was a front page story in the *New York Times* this morning. He addressed some institute or gave a report. He didn't list the concerns but he said there were forty industries which OPM had secretly listed as due to be blanked out.

Mr. NELSON. I have never seen any such list. Now the Office of Civilian Supply, as you know, has rated certain industries. Taking the case of plastics, they have listed three different groupings in which plastics shall be used as available. Now, of course, those will guide.

Q. They didn't say OPACS. It said OPM.

Mr. NELSON. I have never seen any in OPM.

Q. Could you give us some indication as to what this conservation program will include? Will it be a reduction in the number of designs, models, and shapes of materials or will it—

Mr. WALLACE. It will be that kind of thing.

Q. Would it include the pick-up campaign—scrap materials?

Mr. WALLACE. It is possible.

Mr. NELSON. It will.

Q. Standardization of models?

Conservation as a requisite to priority

Mr. NELSON. Not standardization of models—simplification of models and plus—I think it is a very important point. For instance, in the granting of a priority, we want to be certain that that is absolutely essential. It may be necessary to reduce the number of models or to reduce the amount of certain essential materials in that particular thing before granting a priority.

Q. You mention here a realistic all-out defense program. The inference there is we have been thinking in terms of an unrealistic program?

Mr. WALLACE. Well, the world situation has been such that we have been forced to become realistic right along. We still haven't reached that.

Q. Is the general public aware in any degree of how much it is going to have to sacrifice? Can you give any idea? You mention there about informing the public.

Mr. WALLACE. I think we may have a little press conference, you know, in which that might be gone into in some detail. As a matter of fact, I suggest to Mr. Nelson that very subject would be well worth going into in great detail some time during the next 3 weeks.

Q. At your convenience we would be very glad to get into that.

Mr. WALLACE. It is a very complex thing.

The over-all sacrifice

Q. Mr. Vice President—

Mr. WALLACE: It is rather simple to arrive at an over-all answer on that. The over-all answer is that you can't expect to have greater civilian consumption per capita now than you had for the same job before defense. In certain lines you may have to have greater civilian consumption of a particular commodity because the war effort has cut off civilian consumption from another capacity that backs up on this commodity. So you can't state it in mathematical materials for all commodities.

Q. Starting this new set-up, Mr. Vice President, how do you feel—in what shape do you feel the defense program is in at the moment?

Defense grows, so does need

Mr. WALLACE: Improving all the time. I think it has shown extraordinary improvement. Also, the needs have shown extraordinary increases.

Q. Yes, and in spite of the improvements do you think it is in as bad a shape as has been pictured?

ODLUM'S STATEMENT

Floyd B. Odium, Director of the new Division of Contract Distribution, OPM, issued a statement September 5 which read, in part:

The statement from the White House concerning the new Division of Contract Distribution in OPM seems both clear and complete.

In a nutshell, its work will be to accelerate defense production to the maximum through spreading contracts more widely among the smaller businesses throughout the nation. * * *

Higher cost producers have their place in the present all-out effort, just as the large factory uses its less efficient machines or a public utility system pulls on its old or stand-by equipment to tide over peak loads. The increased unit cost for a period is small compared with the alternate cost, delays, and net results.

There are sure to be dislocations in some industries catering to less essential civilian uses because of shortages of raw materials, and their allocations and priorities. Such disruption for both employees and investors should be minimized by speedy conversion of such plants to defense production.

Success of the efforts can only be measured by comparative results. Perfection is too much to expect. For example, a pessimistic air pilot considers his fuel tank partly empty; the optimistic pilot considers it partly full. The idea is to keep the reservoir of results of this Division as full as possible.

Military and naval services and maritime authorities have pledged the cooperation essential to success. With this help and the assured cooperation of the other divisions of OPM, we are equipped with good tools to intensify the effort. The Division plans to use the expert abilities of industrial and plant management engineers.

Mr. WALLACE: No, I do not. I think it is in far better shape.

Q. Do you think it is in as bad a condition as Senator Byrd has pictured?

Mr. WALLACE: I think Senator Byrd has been answered adequately by higher authorities than myself.

Q. He spoke again last night, though.

Q. Your statement of over-all that you can't expect to have greater consumption than we had in peacetime and still do a good job in defense implies that our problem is not in curbing business as usual but that business is better than usual?

Can't have business as it used to be

Mr. WALLACE. Don't you think that is an applicable statement?

Mr. NELSON. No, sir, because I don't think you can have business as it used to be in many of these things. We don't have enough of it.

Q. I was suggesting that a lot of business is going better than usual.

Mr. WALLACE. It is—it may be. Some of them have gone a lot better than usual.

Q. That is what I was asking.

Mr. WALLACE. You have greater payrolls, you have greater profits, you have greater farm income. Even taking into account the increase in cost of living, it has greater purchasing power. The average pay roll, the average income of the farmer, the profit of the businessman has greater purchasing power on the average, and there might be exceptions to that.

Some businesses must close

Q. On account of priorities are there any businesses that will have to close up?

Mr. WALLACE. Do you know of any, Mr. Nelson?

Mr. NELSON. There may be, easily. If materials aren't enough to go around. We are just going to have to face it on the less essential industries as I see the picture, and there will be some. There are bound to be some. There isn't enough materials to take care of a realistic all-out defense program we are undertaking and keep every industry alive. It isn't possible—not that we want to put them out of business. There just isn't enough. It will have to be distributed where it is going to do the country the most good.

Q. Tell us what those industries are.

Mr. NELSON. If you will let us get that up adequately. Now, mind you, the Board has been in operation only three days and two of those were holidays. We will have some real information on that subject.

PRIORITIES...

Motortruck, trailer, and public carrier makers granted A-3 rating on materials

To facilitate production of heavy motortrucks, medium trucks, truck trailers, and passenger carriers vitally needed for defense, the Priorities Division August 30 issued a blanket order which will aid manufacturers to obtain scarce materials quickly.

This is a further step in the program for the automotive industry announced recently by Director General Knudsen and Associate Director General Hillman, OPM, and by Administrator Henderson of the Office of Price Administration.

The assistance being extended to truck manufacturers is based on indications that 1,189,000 trucks, approximately 200,000 more than the output during the model year ended July 31, will be required during the new model year that began August 1.

A preference rating of A-3—the same as that assigned for freight cars—is assigned under the order to deliveries of scarce materials required for the production of heavy motortrucks (3 tons or over), medium motortrucks (1½ tons or over), truck trailers (5 tons or over), public passenger carriers (motor or electric coaches with not less than 15 seats) and essential replacement parts for all these vehicles.

Insures rapid transit of heavy materials

The plan is designed to make sure that, as the defense effort goes forward, there are ample facilities for the rapid transportation of heavy industrial and armament materials required by the armed forces and by defense industries.

Each producer of the items specified who is granted the use of the rating—and each must apply for its use individually—will be permitted to extend the rating to his supplier by serving official copies of the order on these suppliers. The suppliers may extend the same rating to their own suppliers in the same manner.

How order affects production

The way in which the order will affect each class of production may be indicated as follows:

(1) *Heavy trucks.*—No limitation will be placed on the production of heavy trucks, and a producer of these trucks may use the A-3 rating to obtain such

material as he can absorb in his production facilities.

(2) *Medium trucks.*—A producer of medium trucks may use the rating to get material for all defense orders and also to fill civilian orders during the 'three months' period September 1–November 30 at the rate of one-half of his production during the first half of the year. This means, in effect, that the producer may manufacture all defense trucks necessary and may continue to produce civilian trucks at his going rating during the first half of 1941.

(3) *Truck trailers.*—Producers of truck trailers may also use the A-3 rating for all defense work and for continued production of trailers at the going rate during the first half of the year.

(4) *Public passenger carriers.*—Producers of these carriers may also use the rating to produce all defense orders and to produce civilian carriers at the going rate during the first half of the year.

(5) *Replacement parts.*—No limitation is placed on the production of replacement parts.

(6) *No limitation* is placed on the production of bodies or cabs for the heavy or medium trucks, the truck trailers or passenger carriers.

Heavy trucks most favored

The net effect of the order will be to expedite production of heavy trucks at the present peak rate and to facilitate production of other trucks covered by the order at the going rate. Although the order places limitations on the production of medium trucks, truck trailers and passenger carriers, it will permit continued production of these items at a rate higher than would be the case if the rating were not to be used to obtain materials.

Since part of the available supply of the materials involved will be diverted to these essential uses, the supply will be even tighter for the production of certain light trucks and ordinary passenger cars. Production of ordinary passenger cars has already been curtailed 26½ percent for the period August–September–October–November, under the quota plan recently announced.

This step—increasing truck production and decreasing less essential automotive production—is necessary to conserve critical materials for defense.

Since the total demand is greater than the supply, the quantities which are available must be diverted to the most essential uses, even though this requires dislocations in other channels, so that the defense program may be fully implemented by an adequate transportation system.

One-fourth of all trucks

It is estimated that of all the 4,500,000 trucks on the Nation's highways today, close to a quarter are engaged in hauling defense goods.

In the first six months of this year, it has been estimated that nearly 22 percent of all production in motor truck plants was for military purposes, and 14 percent additional was for civilian projects specifically connected with defense.

About 2,650,000 of the trucks on the road are heavy or medium trucks. These trucks in the heavy and medium categories are the ones now doing the largest share of defense hauling, keeping the steady stream of materials, parts, goods and supplies flowing.

Transportation forms the one continuous link in the production of defense material. A piece of armament may be assembled in one plant but the materials and parts flowing into it have been produced in dozens of different places, and the completed products must be distributed to many defense areas. With defense production moving into high gear, with new demands being made on railroad capacity, the demand for truck transportation is growing larger every day and more truck capacity is being diverted to defense uses.

Truck owners replying to a recent questionnaire from a trade association said that from 10 to 50 percent of ordinary inter-city shipments represented defense goods in transit, and some truckers said that as much as 85 percent of their operations represented defense activity.

Production has been handicapped

Steel mills, manufacturers of heavy machines, meat packers, ordnance firms, mining companies and many others working on defense are using trucks in increasing quantities to handle defense work.

Because of the increasing shortages of certain critical metals, production of trucks and trailers has been handicapped recently.

Seventeen of twenty manufacturers of truck trailers recently reported that

their monthly production could be greatly increased if scarce materials were made available.

The new order implements the Motor-truck and Public Passenger Carrier Defense Products Limitation and Rating Plan.

May apply A-3 rating to all orders

It is designed so that producers granted the use of the plan may use the one rating, A-3, to apply to all their orders for scarce materials. This eliminates a lot of paper work because it eliminates the necessity for each producer making separate applications for each and every delivery order with which he is having trouble.

Moreover, since the producers covered have a high defense rating, their orders will come ahead of nondefense orders or orders with lower ratings.

It is an optional plan and producers are not supposed to use it if they can obtain scarce materials through ordinary channels.

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Three chemicals added to those under full priority control

Three more chemicals were added to the list of those placed under full priority control by new orders of the Priorities Division, OPM.

The new chemicals to be distributed in accordance with defense needs are tricresyl and triphenyl phosphates; phenols, and phosphorus oxychloride. The orders covering them are designed to conserve supplies, and direct their distribution into essential products.

A-10 rating assigned to orders

The A-10 rating is assigned to all defense orders for these chemicals, unless a higher rating is specifically granted. Defense orders must be accepted by producers in accordance with the provisions of General Regulation No. 1, issued by the Priorities Division on August 27, 1941.

All three of the chemicals covered by the new orders are employed directly or indirectly in the production of degaussing cables for the Navy. This cable is used by ships and provides protection from magnetic mines.

Other chemicals now under mandatory priority control are:

Chlorine; formaldehyde; paraformaldehyde; hexamethylenetetramine; chlorinated hydrocarbon refrigerants; ethyl alcohol, and related compounds; methyl alcohol; potassium perchlorate; potassium permanganate; toluene.

Priorities granted to favored roads to aid development of strategic network

A broad program of assistance to highway construction has been outlined in a letter of intent addressed by the Priorities Division, OPM, to Commissioner Thomas H. MacDonald, Public Roads Administration.

The letter made clear that the Priorities Division stands ready to facilitate the acquisition of material and supplies for the development of a strategic network of highways approved by the War Department in conformity with a master plan. Other classes of roads, specified in the letter, also will be given priority preferences.

By distributing copies of the letter to prospective contractors and suppliers, at the time of letting contracts, the Public Roads Administration and the State highway departments will indicate the preference ratings available for the several types of construction to be expedited.

How to obtain priority assistance

If priority assistance is required in order to obtain deliveries of materials, supplies and equipment on schedule, an application should be made by the State highway department concerned, through the Public Roads Administration, to the Project Section, Division of Priorities, OPM, for the issuance of a preference rating order. If the circumstances warrant, the Director of Priorities will issue a preference rating order.

Six classes of favored roads listed

Six classes of favored roads, and the preference ratings to be granted, are listed in the letter as follows:

1. ACCESS ROADS:

a. To Military and Naval Establishments. Preference Rating of the Access Road Project shall correspond to the rating of the military and naval establishment served; that is, a naval air station or army air base will have a rating of A-1-e, and an army cantonment other than air corps would have a rating of A-1-j.

b. To Defense Manufacturing Establishments. Preference rating of the Access Road Project shall correspond to the rating of the defense establishment served, except that the highest rating which can be assigned is A-1-e.

2. STRATEGIC NETWORK OF HIGHWAYS:

a. All bridges, tunnels, structures, and approaches, A-2; b. New roads or the improvement of substandard roads and grade separation structures, A-4; c. Shoulder widening and minor drainage structures, A-10; d. All other work, B-3.

3. FEDERAL-AID SYSTEM:

a. All bridges, tunnels, structures and approaches, A-3; b. New roads or improvement

of substandard roads, and grade separation structures, A-7; c. Shoulder widening and minor drainage structures, A-10; d. All other work, B-3.

4. FEDERAL-AID SECONDARY AND NATIONAL PARK AND FOREST PROJECTS:

a. Bridges and approaches, A-7; b. New roads or the improvement of substandard roads and grade separation structures, A-10; c. All other work, B-3.

5. PROJECTS FOR THE CONSTRUCTION OR IMPROVEMENT OF THE INTER-AMERICAN HIGHWAY, A-3.

6. CONSTRUCTION OF THE TRANS-ISTHMIAN HIGHWAY AND THE CHORRERA-RIO HATO HIGHWAY IN PANAMA, A-1-b.

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Foundry equipment makers get limited blanket ratings

To assist manufacturers of foundry equipment and repair parts in obtaining certain scarce materials essential to their operations, Priorities Director Nelson issued September 6 a limited blanket rating order assigning the high defense ratings of A-1-b and A-1-c to the acquisition of six listed items.

The six items are castings and forgings; sheets, bars, shapes, plates, and tubing (ferrous, nonferrous and non-metallic); electrical equipment and accessories; mechanical equipment and accessories; cutting tools, including cemented carbides; and maintenance and shop supplies (restricted to items necessary for proper operation and maintenance of manufacturing equipment and facilities).

The A-1-b rating is assigned to deliveries of these materials to makers of molding and core machines; blast cleaning equipment; dust arresters; sand preparing and handling equipment; and briquetting equipment.

Manufacturers producing melting furnaces, blowers, ladles, tumbling mills, shakeout equipment, and mold and core ovens, are granted the assistance of the A-1-c rating in securing the listed materials.

These ratings may be extended as far as is necessary to assure ultimate delivery of the required materials to the manufacturer.

A manufacturer receiving the assistance of these priority ratings may fill only defense orders for the products thus expedited, or such other orders as the Director of Priorities may direct him to meet.

Control of tungsten in all forms expanded and strengthened by new order

A new general preference order and a civilian allocation program regulating the distribution of tungsten—vitally needed for the manufacture of high-speed cutting tools used in defense plants—were issued September 2 by the Division of Priorities and the Division of Civilian Supply.

An order covering some forms of tungsten was originally issued March 26. The new order, however, expands and strengthens the control and applies to tungsten in all forms—ores, concentrates, ferro-tungsten, tungsten metal powder, chemical compounds of tungsten and scrap or secondary material containing commercially recoverable tungsten.

Main changes in control

Main changes made in the control include:

(1) Ores and concentrates, not covered in the previous order, are covered in the new regulation.

(2) Producers of tungsten in all forms are required to accept defense orders.

(3) An allocation system is set up to regulate distribution of ferro-tungsten, tungsten metal powder and tungsten chemicals going into metal powder.

(4) Processors of tungsten in chemical form, other than those forms going into tungsten metal powder, are generally limited in their processing or purchasing to 90 percent of amounts processed or purchased during the twelve

months ending June 20, 1941. This is in accordance with the civilian allocation program.

Produced both in this country and in the Far East, tungsten has been used widely in both civilian and defense channels, its major use being in the production of cutting tools. Shipping difficulties have threatened the 1941 supply of tungsten, and available data indicate that there will not be enough to meet all needs.

Order restricts inventories

Because of the necessity for conserving the supply of tungsten, the new order contains restrictions against building up excessive inventories. It is provided that tungsten shall not be shipped to any person in amounts which would increase that person's inventory of tungsten to an unnecessary level.

Director to determine allocation

Provisions in the order for direct allocation of tungsten materials apply only to ferro-tungsten, tungsten metal powder and tungsten chemical compounds to go into metal powder. The order provides that, beginning September 1, 1941, no person shall make delivery of these forms of tungsten without the specific authority of the Director of Priorities. During each calendar month the director will determine the allocation of available supplies among competing consumers.

A-9 rating on steel deliveries granted warehouses, within quota

Steel warehouses, which constitute the normal source of supply for small civilian orders of steel and are also important cogs in the defense machinery, on September 4 were given the benefit of priority treatment in obtaining stocks of steel for resale in an order signed by Priorities Director Nelson.

A quota is to be established for each warehouse buying steel directly from a producer. When this has been done, a preference rating of A-9 will be assigned to deliveries of steel within the quota.

All steel warehouses should file with the Priorities Division on or before September 15 a report on form PD-83-a, setting forth deliveries made during the first quarter of 1941 of steel from stocks owned and on consignment. Copies of this reporting form are being mailed to approximately 3,000 warehouses.

Director to determine delivery quotas

From these reports, the Director of Priorities will determine what percentage of first-quarter sales should be set as the quota for delivery to the warehouse during the last quarter of 1941. On or before October 5, he will notify each warehouse what its quota is to be. Quotas established for the last quarter of this year will remain in effect for each subsequent quarter until further notice.

The order permits until October 5 deliveries to a warehouse of all types of steel under the A-9 rating to the extent of one-third of its receipts from mills of such types of steel during the first quarter of 1941.

Warehouse deliveries limited

Deliveries of steel from warehouses are limited by the terms of the order. Except for small sales, in amounts specified in the order, warehouses may not make deliveries of alloy steel for any but defense orders. Orders for carbon steel for nondefense purposes may be filled after provision has been made to care for present and anticipated defense orders.

Exemptions from these requirements permit monthly deliveries of alloy steel on small nondefense orders up to 10% of the average monthly deliveries of such material during the first quarter of 1941.

Small orders, as defined in the order, are for materials in the following amounts: Alloy tool steel, 50 pounds per item; stainless steel, 50 pounds per item; other alloy steel, 300 pounds per order.

Delivery, partial processing permitted for silk waste, noils, reclaimed fiber

Donald M. Nelson, Director of Priorities, issued September 6 an amendment to general preference order M-26, issued on August 8, 1941, which affected the distribution of silk waste, silk noils, and garnetted or reclaimed silk fiber.

The original order prohibited deliveries of these materials, unless specifically authorized by the Priorities Director. The amendment removes this restriction.

The second important change authorized in the amendment has to do with processing. Heretofore the processing of silk waste, silk noils, or reclaimed silk fiber was prohibited, except for the purposes of filling a defense order. This restriction has been lifted to the extent of

permitting partial processing by dressing and spreading, but the prohibition of further processing remains in effect, unless to fill defense orders. Each processor is required to keep accurate records of the number of pounds of silk waste partially processed under the terms of the amendment.

It was found that the rigid restrictions on deliveries of silk waste were defeating the intent of the original order by freezing the materials in unusable form. By removing these restrictions the amendment permits graders to purchase and sort the various forms of waste, and resell them to mills for the preliminary processing now permitted.

PRODUCTION . . .

20-percent rise in scrap collection asked of dealers; committee being formed

The OPM September 3 called upon the billion-dollar waste materials industry to increase its collections by 20 percent to insure adequate supply for defense plants and to relieve shortages facing less essential industries.

The request was made at a meeting called by the Office of Production Management to receive nominations from waste dealers for an industry advisory committee soon to be named to work with defense officials on plans to increase the supply of available waste materials. Approximately 80 representatives of the industry were present at the meeting.

20-percent increase sought

Paul C. Cabot, deputy chief of conservation, Division of Purchases, OPM, who presided, made the request for a 20-percent increase in scrap collection. Pointing to problems involved in procurement of a sufficient supply of raw materials immediately needed for defense, Mr. Cabot told the dealers that their role "is a most vital one, because you are responsible for such an important portion of our entire supply of these metals and materials—the most essential requirement of our Nation's defense machinery."

Committee to advise on effective steps

The advisory committee, Mr. Cabot declared, will "set up a piece of machinery that will enable your industry through its normal channels of trade to advise those of us in Government as to the programs and policies that will be effective in increasing materially the amount of current scrap metals and other waste materials reclaimed annually." He cited scrapped automobiles and the "unused and discarded metals and other waste materials in various forms prevalent on almost every farm and in almost every attic and basement or barn throughout the country" as sources of supplies that must be tapped to achieve the desired increase in scrap collection.

Robert E. McConnell, chief of the Conservation Section, OPM, told the dealers that there is an insufficient supply of all materials that go through waste and salvage collectors' hands. Declaring that "we are the world's greatest wasters," he

said that it is essential to collect all waste possible, and asked the cooperation of the dealers in formation of the industrial advisory committee.

The committee, McConnell declared, will be selected to represent small, medium-sized and large dealers, and also to be geographically representative of the whole industry. Three men from each of these divisions of the industry will sit on the committee: cotton rags, iron and steel scrap, nonferrous metals scrap, scrap rubber, paper wastes, and woolen rags.

Asked to maintain stable price level

Leon Henderson, administrator, Office of Price Administration, and a member of the Supply Priorities and Allocations Board, told the dealers that "lying in junk yards at the present time are some of the most precious materials needed in the defense program, which are not waste products at all, but which are known as waste." He said that a steady and increased supply of these materials is required to keep production of defense goods at as high a point as possible.

He appealed for cooperation in maintenance of a stable price level, and said that in the event a price schedule became necessary, those deviating from it would be held "to strict accountability."

Mr. Henderson also urged increased collection of scrap in the interest of curtailing as much as possible unemployment in civilian industries resulting from insufficient raw materials to meet defense needs and at the same time requirements of plants manufacturing civilian goods.

R. C. Allen, Iron and Steel Section, OPM, said the need for scrap steel and scrap iron has become extremely pressing. He said that 54,000,000 tons of pig iron are now produced annually, while steel production is expected to attain 82,000,000 tons. The difference, he said, will have to be made up largely from scrap accumulation, and he revealed that in the next 2 years the problem will become even more acute as additional blast furnaces now being constructed are put into operation.

"The scrap necessary to meet this increased steel production is in the country," Mr. Allen declared. He urged the

organization of a Nation-wide scrap collection campaign.

Director General Knudsen, OPM, emphasized the place of the scrap dealers in accumulation of waste and secondary materials, and asked their full cooperation in attaining success in the defense program.

25 percent of new steel from scrap

It is estimated that this year about 25 percent of all new steel produced will come from reclaimed steel scrap. Thirty-four percent of the anticipated copper supply is expected to be made available from copper scrap, while 29 percent of the tin production will be accounted for by the use of reclaimed metal. Twenty-two percent of the aluminum production, 20 percent of lead production, and 16 percent of all rubber production are expected to be represented by scrap reclamation. These figures represent the amount recoverable under normal conditions, and it is hoped that the percentages will be even higher as a result of Government-industry cooperation to stimulate collections.

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Auto scrap drive extended to Michigan, Wisconsin, Minnesota

A campaign to increase the scrapping of worn-out automobiles and thus provide additional scrap iron and steel needed urgently for defense production will be extended this week to Michigan, Wisconsin, and Minnesota, the OPM announced September 5.

The campaign is already under way in Ohio, New England, Illinois, Missouri, and Kansas.

Three meetings scheduled

Government officials will meet in the following places with the following groups:

Lansing, Mich.—Hotel Olds, Wednesday, September 10, with automobile wreckers and scrap dealers from the State of Michigan.

Milwaukee—Hotel Pfister, Thursday, September 11, with automobile wreckers and scrap dealers from the State of Wisconsin.

Minneapolis, Minn.—At a hotel as yet undesignated, on Friday, September 12, with automobile wreckers and scrap dealers from the State of Minnesota.

TRANSPORTATION . . .

Available tank cars could deliver 200,000 barrels of oil daily to East, Budd believes

Information at hand indicates available tank cars could deliver about 200,000 barrels of oil daily to the East, Transportation Commissioner Budd, OEM, said on September 4. His statement was made before the Special Committee of the Senate Investigating the Petroleum Shortage. Admitting that he found it "difficult to raise objection" to building pipe lines, he nevertheless raised the point that shortages of raw materials necessary in pipe line construction already threatened to cut railroad car building 100,000 below the number considered necessary for defense. Therefore, he said, "to the extent that they are available, it clearly seems best to use tank cars now."

Excerpts from Mr. Budd's testimony follow:

One of the immediate questions is whether to build pipe lines to take the place of tankers.

My concern is in having the most efficient transportation, and also in having an ample amount of it. . . . To the extent that they are available, it clearly seems best to use tank cars now.

I find it difficult to raise objection to building more transportation facilities, especially anything so efficient as a pipe line. If we had one from Texas to the Eastern Seaboard now, it would be a great comfort. Having said this, I want to discuss with your committee what effect the building of such a pipe line at this time might have upon the continued adequacy of essential transportation for defense. The supply of raw materials, as well as of finished products, has become critical. Even now, and for some time past the program for future defense transportation has been hampered.

Railways carry ⅔ of total traffic

While there are four other forms of transportation, namely waterways, airways, highways, and pipe lines, the railways carry two-thirds of the total traffic of the Nation. There are more miles of pipe lines, more highway trucks, and automobiles than ever before, and they are increasing steadily. This is not true of railroad cars. In 1929 there were 2,267,376 in railroad ownership. On June 1, 1940, when the Advisory Commission for the Council of National Defense was organized, the railways owned a total of 1,648,696 freight cars. On July 16,

1940, having in mind the increasing traffic, but without data on defense needs, I recommended that the ownership should be built up to 1,700,000 as soon as possible. Owing to inability to obtain material for carrying out this carbuilding program, I regret to say that on October 1, 1941, the program will fall short by about 20,000 cars.

On May 1, 1941, based upon data of defense needs, plans were made to bring the total railroad ownership to 1,800,000 cars by October 1, 1942.

Lag in program

The car building program is now being carried on at about one-half the scheduled rate set up to meet the needs of anticipated traffic. That lag means that the proposed expansion to 1,800,000 cars by October 1, 1942, will fall 100,000 short unless some way is found immediately to supply more steel, iron, lumber, and other essential material to the railroads and to the car builders.

Tank cars can handle additional volume

Considering now the railroads' capacity for handling more oil and gasoline:

It appears from surveys that we have made that it would have been physically possible to put more than 20,000 tank cars into other service and still have handled the July 1941 business.

Mr. Pelley explained on yesterday that the Association of American Railroads made a survey of the tank car situation in September 1940. The owners and lessees of such cars advised at that time that they had a total of 20,000 surplus cars which could be used for other or additional traffic.

An independent check was made by 411 railroads, at my request, and as of August

7, 1941, they reported 29,325 empty tank cars idle and uncalled for for a period of 24 hours or longer.

This so-called spot check indicates quite conclusively that the existing tank cars could handle a large additional volume of traffic. It seems to verify, and is verified by, the information which Mr. Pelley presented to your committee yesterday, as well as the conclusions based on the survey we recently made.

200,000 barrels possible daily

Last year in response to my request, the Association of American Railroads prepared a study of possible petroleum movement by rail. This study indicated that 200,000 barrels could be handled from Texas to the Eastern Seaboard daily. At that time, assurance was given to me that the railroads would have no difficulty in handling the cars. Mr. Pelley stated yesterday that they can do so now. Assuming, of course, that material for locomotive maintenance and repairs is made available, I believe that they could continue to perform this added service in the future.

All of the considerations which I have stated lead me to believe that it would be physically practicable for the railways to deliver 1,000 carloads of oil a day to the Eastern Coast. Since the cars average about 200 barrels each, that would be about 200,000 barrels a day.

Shifts bring more oil to East

The many shifts and adjustments of oil traffic from its normal channels which are now being made voluntarily by the petroleum interests are resulting in the bringing of some more oil to the East. They are making more use of pipe lines and tank cars, as was indicated by the reports of the Standard Oil Company, the Texas Company, and others, which Mr. Davies presented to you last week. For example, the Atlantic Refining Company reported as follows:

"Negotiations were concluded on Monday of this week whereby this company will commence within one week the shipment of crude oil from Benton, Illinois, to Philadelphia, Pennsylvania, which will shortly utilize 600 tank cars and move 10,000 barrels of crude oil per day, saving a like amount in tanker transportation from the American Gulf to the U. S. Atlantic ports."

This type of activity no doubt will be enlarged by continuing to make freight rate reductions, which are being made in many instances where requested.

TANK CAR USE PLEDGED

The Office of the Petroleum Coordinator for National Defense announced September 4 that it had sought and received written commitments from the 11 principal East Coast oil companies ". . . to ask for and utilize in petroleum transportation all available railroad tank cars . . ." for the purpose of alleviating the East Coast oil shortage.

CIVILIAN SUPPLIES . . .

"You can't sink a pipe line," Henderson points out to Congressional committee

"Pipe lines are hole cards, particularly useful if this country should ever be subjected to attack," Leon Henderson, Price Administrator, OEM, and director of the Division of Civilian Supply, OPM, said on September 5. "You can't sink a pipe line," he told the Special Committee of the Senate Investigating the Petroleum Shortage. As to restrictions in use of petroleum products on the East Coast, he said that a 10- or 15-percent curtailment is all that appears likely now, but "we all should realize that it is a guess made in the face of a rapidly changing situation."

Excerpts from his testimony follow:

Last fall, in connection with a report written by the Advisory Commission to the Council of National Defense to the Department of Justice, I took the position that the two gasoline pipe lines in the South were valid national defense projects. I felt then and feel now that there must be a substantial margin of safety in our transportation system if this country is to be properly defended, and that any threat of shortage cannot help but disturb the competitive balance in the industry to the eventual detriment of the public.

I have been asked to state my opinion as to how great the oil shortage is on the East Coast. Our investigations have confirmed the figures given you by the Coordinator. Mr. Davies estimates stocks on hand will be 44,800,000 barrels of all products at the end of the year. As of that date, it would seem possible to supply all gasoline and heating oil demands but not to meet all demands for industrial fuel oil unless preferences are given to this product in refining or transportation or action is taken to relieve the shortage. Mr. Davies, of course, assumes the accuracy of the Bureau of Mines estimates . . . These estimates are predicated upon forecasts of gasoline demand and computations of the crude supply necessary to furnish that amount of gasoline. Variations in refinery operations may temporarily produce relatively too much of one or another product and too little of others.

Demand for heating oils

I also wish to point out that it is difficult to forecast the demand for light heating oils statistically. One degree difference in average temperature can

change heating oils requirements as much as 1,000,000 barrels. Oil burner sales are up 55 percent this year.

Under such circumstances, I consider it sound business judgment to build up additional stocks against a possible crisis which might occur in December—might not hit until February or might not hit at all.

The current 10 percent curtailment in the use of gasoline should increase our storage stocks substantially as contrasted

PIPE LINE GIVEN POWER OF EMINENT DOMAIN

President Roosevelt last week authorized the Southeastern Pipe Line Co. to use the power of eminent domain to obtain rights-of-way for a line from Port St. Joe, Fla., to Chattanooga, Tenn. All but 28 miles of the 475-mile project is completed, and according to the Office of the Petroleum Coordinator the line is expected to be ready by the first part of November.

with the amounts which would be on hand if gasoline had not been restricted. A 10 percent or 15 percent curtailment is all that is likely now, but we all should realize that it is a guess made in the face of a rapidly changing situation both locally and internationally.

As to the big crude oil line from the Gulf to the East Coast, the problem will come before the SPAB as to whether it or something else should have priority on steel. I would rather reserve my judgment on that until we have thoroughly analyzed the competing defense demands.

The committee should appreciate that the Petroleum Coordinator has the power only to recommend; he cannot compel the companies to use tank cars.

There is no new proposal to build additional tank cars since Mr. Budd claims there are enough and Mr. Davies doesn't advocate that more be built when there are better ways of moving oil. The suggestion that barges be built may be a good one. Admiral Land has gone into this matter extensively and I'm sure that his study will be extremely helpful. But regardless of what gets priority in the immediate future, more pipe lines will

have to be built. Pipe lines are hole cards, particularly useful if this country should ever be subjected to attack. In such event, the tanker movement from the Gulf to the East Coast might require a large and expensive convoy system; demands upon railroad traffic, due to the curtailment of intercoastal shipping and other movements, would be almost unbelievable. We cannot be too cautious in this emergency—and you can't sink a pipe line.

Favorable price factors

Questions have been raised during this hearing of the effect of prices for petroleum products on the Eastern Seaboard upon the price situation. I wish to state here and now that in my opinion the price situation has been sufficiently favorable to encourage the movement of additional supply by means of transportation more expensive than tankers but that my Office will give favorable consideration to justifiable increases in prices when large-scale movements of products take place at materially higher costs.

Prices not a deterrent

No one can justifiably claim that oil companies have been deterred from using higher cost transportation by considerations of price. They have been advised repeatedly that when they can show that they have incurred or are incurring definite increases in transportation expense a formula will be developed to equalize distribution of that expense as between the companies, and no resistance will be offered to justifiable increases in prices.

I do not mean the foregoing to indicate that the oil industry has been unresponsive to our suggestions. The industry has been very reasonable.

The conclusion on the oil shortage seems to be this. It is definitely desirable that the use of gasoline be curtailed in order that tanker and other transportation facilities may be available for the heavier oil products like light heating oil and heavy fuel oil. Secondly, at present it appears probable that this end can be achieved by a curtailment not substantially more drastic than 10 percent or 15 percent. We all will be watching the situation carefully from month to month this fall and winter, and will be able to recommend alterations in tanker shipments and refinery operations to provide more of the products in greatest demand and less of those for which the needs are less pressing.

Campaign launched to save waste paper, vital in shipping of defense products

A national campaign to conserve waste paper in the interest of defense will get under way in New York City, Chicago, and Milwaukee this week. It will spread thereafter to 30 other principal cities, reaching a combined metropolitan population of 40,000,000.

The campaign, which will be conducted by the Waste Paper Consuming Industries, has the active support of the Office of Price Administration and the OPM Conservation Bureau.

Necessary to pack defense products

"Waste paper is needed for defense because it is the raw material of paperboard boxes in which many defense products are packed and transported," Price Administrator Henderson explained.

"The need for these containers is growing rapidly and will increase substantially in 1942. Unless the supply of waste paper is increased, the probable shortage would make a stable price structure for paperboard more difficult to maintain.

"On behalf of the Government, I urge that waste paper be saved by the householder in the interest of national defense."

Collection system arranged

The Waste Paper Consuming Industries also will cooperate with the waste materials industry in the drive sponsored by OPM to increase collections of scrap metals, worn rubber, rags, and other waste.

The national waste paper salvage campaign, which is in line with the OPM general conservation effort, was organized with the cooperation of the OPA. Its objectives are to expand the supply of raw material from which paperboard is made, and to hold down prices of paperboard boxes.

The Waste Paper Consuming Industries, working through a representative committee of six paperboard manufacturers, is establishing organizations in each of the 33 cities to be included in the campaign. A central telephone exchange will take all calls for information and arrange for collection of waste paper of 100 pounds or more.

The campaign will not extend westward beyond Denver as at present there is an ample supply of waste paper on the Pacific coast to feed all paper mills.

Housewives, small business houses, and industries will be asked to save waste

paper and either give it to charitable organizations or sell it to waste dealers at the current market price.

Charitable organizations, such as the Boy Scouts, the Girl Scouts, the Salvation Army, and Parent-Teacher Associations will be invited to enlist in the campaign. Some of them now collect waste paper and sell it to scrap dealers.

All collections of paper offered for sale will be made by scrap dealers in the respective cities at the direction of the local representatives of the conservation committee of the Waste Paper Consuming Industries.

Waste paper is the principal raw material used in paperboard boxes. Included in a ton of paperboard are 1,906 pounds of waste paper, cardboard, and corrugated board.

Defense articles in wide variety are packed and transported in paperboard boxes. These include shirts and shoes for selectees, food for the armed forces, parts of combat planes, munitions, rifles, and chemicals. Gypsum board, widely used in defense housing projects and in all building construction, also is made from waste paper.

Defense takes 1/4 of paperboard

America's aid to Britain and other countries under the Lend-Lease program virtually is encased in waste paper. More than 90 percent of these goods is packed in waterproof paperboard boxes. Good packaging is required for shipments to Iceland, the Caribbean, and other outposts of Western Hemisphere defense.

Six dozen Army shirts fill an 11-pound paperboard container. The 10,000,000 shirts bought by the Army this year require 1,500 tons of paperboard. The canned tomatoes alone used by the Army require another 1,000 tons.

The shells turned out by Army ordnance plants are packed in 30,000 tons of paperboard each month.

Defense now takes one-fourth of the more than 8,000,000 tons of paperboard which it is estimated will be manufactured in the United States this year. By the end of 1942 it will be utilizing up to two-thirds of an estimated 9,000,000 tons.

Only 28 percent now recovered

Only 28 percent of the Nation's paper is now recovered. Most of this comes from large industries, department stores, large hotels, apartment houses, and pub-

lic buildings. About 50 percent is lost, going into furnaces, incinerators, or on the rubbish heap. The remaining 22 percent goes into permanent use as book, ledger, and file paper and is not destroyed immediately.

Paperboard is made from old newspapers, cheap fiction magazines, discarded wrapping paper, and used corrugated paper. Other waste paper, such as slick-paper magazines, books, and letters, are needed to make up the shortage of wood pulp from which finer grades of paper are manufactured.

A pound per family per day

Trade estimates indicate that the average family may save a pound of waste paper a day.

The effectiveness of increasing waste-paper collection by means of an industry-sponsored campaign has been demonstrated in a campaign which has been under way in St. Louis for several weeks.

Other cities to which the national campaign will be carried as soon as organizations for collections can be set up are:

Newark, Jersey City, Cleveland, Boston, Minneapolis-St. Paul, Washington, Philadelphia, Detroit, Baltimore, Pittsburgh, Buffalo, Cincinnati, Kansas City, Rochester, Toledo, Memphis, Birmingham, Dallas, San Antonio, Houston, Denver, Atlanta, Columbus, Akron, New Orleans, Indianapolis, Louisville, and Providence.

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Use of unprinted cloth bags suggested to aid reuse

A suggestion that, wherever possible, printing be eliminated on bags made of burlap and other textiles so that they may be used over again was made September 6 by the Division of Civilian Supply, Office of Production Management.

Bags are used extensively for packaging by defense and civilian industry and especially for agricultural products. Shortages have developed that make it necessary to conserve bag supplies to the greatest degree possible.

The presence of printing on bags prevents their reuse in many cases. In instances where such printing is required by law, it is suggested that the requirements be met by use of appropriate tags.

Consumers are urged either to return bags to the seller of the merchandise or to sell them to recognized second-hand dealers, thus making them available for reuse.

PRICE ADMINISTRATION . . .

Waste paper ceiling to be imposed October 1 at June 16 level, as voluntary plan fails

Since the effectiveness of voluntary agreements has been largely nullified by failure of certain members of the trade to adhere to their understandings with his office, all of the more important grades of waste paper will be brought under ceiling prices as of October 1 at the levels that prevailed on June 16, OPA Administrator Henderson announced September 4.

The new schedule will be issued within 2 weeks and, upon its effective date, will supersede all existing price agreements.

Those dealers and consumers who have cooperated with OPA in its efforts to stabilize prices of waste paper and the products made therefrom were complimented by the administrator.

Obstruction closed several mills

"Unfortunately, however," Mr. Henderson stated, "it has been found impracticable to continue the attempt at voluntary control. An even and adequate flow of waste paper to the consuming mills is essential both to the defense effort and to civilian industry at large. Paperboard, product of waste paper, is in great demand for cartons and boxes to package the output of our factories. Certain members of the Eastern waste-paper trade have seen fit to withhold supplies to compel payment of higher prices. This, in turn, has disrupted the voluntary agreements and forced curtailment, and even the actual shut-down, of several consuming mills in the East.

"Some relief to these distress cases has been afforded, through the release by mills in a better inventory position, of supplies under commitment to them and, further, by agreements whereby these mills temporarily will draw more heavily upon inventory and curtail their new buying. Cooperation of this nature is sincerely appreciated by my office."

Schedule to include higher grades

The voluntary agreements provided for maximum prices on the three principal low grades of waste paper equal to those prevailing on June 16, 1941. The understandings to abide by such prices and to apply only such differentials as were then in existence were reached individually with OPA and waste paper dealers

and consuming mills. Both dealers and consumers in the Middle West have largely adhered to their agreements, but in the Eastern area OPA has found it necessary to call public attention to methods by which certain trade quarters have circumvented the maximum prices.

The new schedule will not only cover the three principal low grades, but the higher grades which were not included in the voluntary agreements. Due allowance will be made for prevailing geographical price differentials and other recognized trade practices.

Waste paper supplies are expected to be increased substantially in the near future.

LaGuardia will ask mayors to revoke licenses of persistent price violators

Acting to throw the full support of municipal executives throughout the country behind efforts of OPA Administrator Henderson, to prevent inflationary price increases, F. H. LaGuardia, Director of the Office of Civilian Defense, in his capacity as president of the United States Conference of Mayors, announced September 5 he would recommend revocation of municipal business licenses in cases of persistent violation of Federal price ceilings.

Mayor LaGuardia pointed out that in most communities the power to issue and revoke municipal licenses is vested in the chief executive. The United States Conferences of Mayors is composed of the chief executives of more than 300 communities of over 50,000 population.

"It is my purpose to call to the attention of executives who are members of the United States Conference of Mayors all cases of wilful and persistent price ceiling violation which are certified to me by Mr. Henderson," Mayor LaGuardia said.

"In these instances, I shall recommend that the violators be cautioned against continuing their infractions. Then, if they still persist, I shall recommend that the full powers of the municipality be exercised to revoke the licenses of the offenders.

"I have been informed by Mr. Hender-

No objection to 6½-cent price, Gulf Coast refiners told

Gulf Coast gasoline refiners were notified September 5 by OPA Administrator Henderson that he would offer no objection to their charging 6½ cents a gallon for "regular" gasoline.

A price of 6 cents for such gasoline had been requested in a telegram sent to Gulf Coast refiners on July 16 pending a cost study covering refiners in that area. Since that date a detailed study of operating costs, particularly of representative small refiners, has been completed.

It is expected that the 6½-cent price will apply only to gasoline produced by small refineries which is normally sold in the Gulf Coast area. It is not expected to apply to the larger refineries producing gasoline for shipment to the East Coast.

son that the most careful investigation of complaints reaching his office will be undertaken before I am requested to make my recommendations.

"It is my belief that the cooperation of municipal executives throughout the country in Mr. Henderson's efforts to keep prices down in the face of inflationary pressure will be an invaluable contribution to the entire defense effort and will meet with the hearty approval of the American people.

"Assisting patriotic businessmen . . ."

"By exercising the powers of their office to revoke licenses of those who place personal gain during this national emergency above their obvious duty, municipal executives will be assisting patriotic businessmen to cooperate with our Government and the public in the defense effort."

Price Schedules thus far issued by the Office of Price Administration are:

1—Second-hand machine tools; 2—aluminum scrap and secondary; 3—zinc—scrap and secondary; 4—iron and steel scrap; 5—bituminous coal (revoked); 6—iron and steel products; 7—combed cotton yarn; 8—nickel scrap and secondary materials; 9—hides, kips, and calfskins; 10—pig iron; 11—cotton textiles (grey goods); 12—brass mill scrap; 13—Douglas fir plywood; 14—raw silk; 15—copper; 16—raw sugar; 17—pig tin; 18—burlap; 19—Southern pine lumber; 20—copper scrap; 21—formaldehyde; 22—Pennsylvania grade crude oil; 23—rayon grey goods; and 24—washed cattle tail and winter hog hair.

Revisions made in Southern pine prices to protect operators of small mills

Substantial changes in the Southern pine lumber price schedule in advance of its effective date, September 5, were announced September 4 by OPA Administrator Henderson.

The general effect of the revisions, which are incorporated in a detailed amendment, is to raise the ceiling prices so that the thousands of small lumber mills throughout the Southern pine area will be able to continue in profitable operation. While the maximums are raised, Mr. Henderson pointed out, the prices for Southern pine lumber will be below the levels of August 15 and the net annual saving to the defense program and to civilian users will not be lowered greatly from his original estimate of \$20,000,000.

Many complaints received

"Since the schedule of Southern pine lumber prices was announced on August 16, I have received many complaints from mills throughout the Southern States asserting that if ceiling prices thus imposed were permitted to go into effect on September 5 without change, widespread hardship would result," Mr. Henderson said. "These complaints asserted that the stumpage costs of the small mills have risen sharply in recent months and that their logging problems are more difficult due to the fact that available timber stands are less accessible. Furthermore, the schedule made no special allowance for air-dried lumber, which is the kind currently being sold by the small mills.

Adjustments necessary

"It always has been the policy of my office to investigate complaints of this nature and to make such adjustments as appear to be warranted . . . In keeping with this policy, a meeting of OPA officials with approximately 450 mill operators was held on August 30 in New Orleans. After full hearing of their complaints and in the light of additional data collected by my office, it became apparent that adjustments in the schedule were necessary. A committee, representing all sections and all types of mills producing Southern pine lumber, is in thorough accord with the revisions that have been worked out. Moreover, the 450 lumber producers present have promised their full cooperation in maintaining the ceiling prices, as amended."

Maximum prices in the original schedule were based upon air-dried lumber in

finished form. By the amendment, ceiling prices are based on "rough green" lumber and additional charges are allowed to be made for air-drying or kiln-drying, surfacing, grooving, etc. In many instances the prices themselves have been changed within the various grades, although the net effect as applied to an entire grade is not substantial.

Definitions reflect trade usage

Several refinements of definition also are contained in the amended schedule, reflecting trade usage or practice. For example, long-leaf pine is further defined so as to make it clear that only the coarse-grained variety is covered by schedule. The definition of a "mill" is restated so as to exempt from the price schedule the large number of lumber retailers in the South who operate planing and similar mills as adjuncts to their retail businesses. A "retail sale," ac-

cording to the amendment, means a sale to a consumer or contractor in less-than-carload quantity. Mixed car shipments are defined and an explanation of mixed truck shipments is added.

To cover the extra services and costs involved, an addition of not more than \$3.50 for 1,000 board feet is allowed in the case of export sales.

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OPA considers lower ceiling on scrap, secondary aluminum

Advisability of revising downward the ceiling prices established in Price Schedule No. 2 for scrap and secondary aluminum because of the reduction of two cents a pound in the price of primary aluminum, is being studied by OPA, Administrator Henderson announced September 3.

A decision in this matter, the administrator said, will not be reached until the question has been explored with the trade.

Talks preliminary to carded cotton yarn ceiling, expansion of grey goods schedule

Two meetings preliminary to the imposition of ceiling prices on carded cotton yarn and the inclusion in the cotton grey goods price schedule of the remaining important constructions were announced September 6 by OPA Administrator Henderson.

Leading producers of carded cotton yarn were to meet with OPA officials September 8, to talk over a schedule of maximum prices that will bear a proper relationship to the ceiling prices already established for combed cotton yarn. Combed cotton yarn goes through an additional manufacturing process that makes it a finer product and one which normally sells at a higher price than carded yarn.

On the following day, the OPA cotton textile advisory panel, to which 18 new members have been added, were to meet to discuss broadening the cotton grey goods price schedule and the relationship of prices of the types of goods to be added to the prices of constructions already covered. The panel also was to take up the question of differentials for shade cloth and feeler motion, special constructions, fancy weaves, and specification goods. The supply and demand situation in the cotton grey goods industry was a further topic on the agenda.

Membership of the enlarged cotton

textile advisory panel (new members italicized) is as follows:

S. M. Ainsworth, Gonzales Cotton Mill, Inc., Gonzales, Texas; *Robert Amory*, Nashua Mfg. Co., Nashua, N. H.; *Howard Baetger*, Mt. Vernon Woodberry Mills, Baltimore, Md.; *W. N. Banks*, Grantville Mills, Grantville, Ga.; *B. F. Berman*, Stonewall Cotton Mills, Stonewall, Miss.; *Ted Broughton*, Wamsutta Mills, New Bedford, Mass.; *Fuller Callaway, Jr.*, Callaway Mills, La Grange, Ga.; *Charles Cannon*, Cannon Mills, Kannapolis, N. C.; *Donald Comer*, Avondale Mills, Sylacauga, Ala.; *Herman Cone*, Cone Export & Comm. Co., 59 Worth St., New York City; *R. C. Dick*, Naumkeag Steam Cotton Co., Salem, Mass.; *J. L. Geoffroy*, Federated Textile, 40 Worth St., New York City; *George Harris*, Riverside & Dan River Cotton Mills, Danville, Va.; *K. T. Lewis*, Durham, N. C.; *Leon Lowenstein*, M. Lowenstein & Sons, 43 Leonard St., New York City; *Gerrish Milliken*, Deering Milliken & Co., Church & Leonard Sts., New York City; *Harry Oppenheimer*, Brand & Oppenheimer, New York City; *Edward T. Pickard*, Textile Foundation, Bureau of Standards, Washington, D. C.; *Paul Redmond*, Alabama Mills, Inc., Birmingham, Ala.; *Auguste Richard*, Pacific Mills, 40 Worth St., New York City; *Scott Russel*, Blbb Mfg. Co., Macon, Ga.; *Albert Scott*, Engineer, Lockwood Greene Engineers, Inc., 10 Rockefeller Plaza, New York City; *J. E. Sirrine*, Greenville, S. C.; *Andrew Sokol*, Cohn-Hall-Marx, 93 Franklin St., New York City; *N. L. Smith*, Chicopee Mills, Chicopee, Mass.; *Rosser Smith*, Southeastern Cottons, Inc., 58 Worth St., New York City; *Earl R. Stall*, F. W. Poe Mfg. Co., Greenville, S. C.; *Robert T. Stevens*, J. P. Stevens & Co., New York City; *Charles Sweet*, Wellington Sears Co., New York City; *Sam H. Swint*, Graniteville Mills, Graniteville, S. C.; *Donald Tansill*, Pepperell Mfg. Co., 40 Worth St., New York City; *W. J. Vereen*, Moultrie, Ga.; *George Westberg*, Berkshire Fine Spinning Associates, Inc., 271 Church St., New York City.

News for Retailers

Fats and Oils Panel to Include All Types of Retailers

All sectors of the retail field including chains, independents, super markets, and department stores will be represented on the new fats and oils advisory panel being set up by the Office of Price Administration.

Authorities in charge of the fats and oils program desire to acquire as wide-spread and complete information as possible about the effects on retailers of Schedule 25, which is designed to eliminate speculative practices in fats and oils, and to get the advice of men in the trade on the shaping of new policies. As many points of view as possible on the fats and oils situation are desired.

Also consulted in the discussions will be representatives of crushers, refiners, manufacturers, processors, distributors, and consumers. The whole fats and oils field, except for butter, is included in the speculative practices schedule. Retailers handle the edible fats and oils in such finished goods as salad oils, cooking oils, lard, shortening, and oleomargarine. Inedible fats and oils are used in the manufacture of soaps, cosmetics, paints, and varnishes.

Retailers are particularly affected in the schedule by the section eliminating guarantees against price declines. No restrictions are placed on guarantees against price declines on fats or oils in transit or already a part of the floor stocks of wholesalers, jobbers, and retailers.

This section is designed to stop a wide-spread practice which, although it seemed beneficial to retailers, when carried out throughout a whole nation created instability in production and marketing, artificial shortages, and acted to push costs up.

Guarantees against price declines were employed by manufacturers selling to wholesalers or jobbers encouraging them to give larger orders at the prevailing price. Sales would be inflated on the expectation of a general price increase. It was the understanding that if the price went down, the orders could be cancelled or filled at a lower price.

This increase in ordering, if done on a sufficiently large scale would generate further price advances by increasing the demand by manufacturers for raw materials.

Retailers might think that this practice would tend to lower the wholesale price to them, but in the long run, it is observed, such practices increase the cost of business of all the manufacturers. The processors take a loss when the bidding up of raw material increases his costs at the same time that he is required to supply his outlets on contract at a lower price. This loss is not absorbed, but is passed on to the retailer in the increase of the spread between the price of the raw and finished product over a long period. All merchants must pay this increased spread whether they get short-run benefits from such speculative practices or not.

All types of fats and oils forward-buying except that carried on through exchanges regulated by the Commodity Exchange Commission or employed as a legitimate means of furthering the distributive process are ruled out in Schedule 25. It is expected that, by this means, price increases in fats and oils and their products due purely to speculation will be stopped.

Besides the price increases that speculation brings about, OPA is concerned with wasteful practices encouraged when the speculative fever seizes an industry.

Recently an OPA price executive accidentally ran across one instance, symptomatic of many others throughout the country, when he found 150 gallons of soybean oil stored in the men's washroom of a small Chinese restaurant. The proprietor of the 12-table restaurant explained that the salesman had told him that prices were going up and that he should buy now. He bought, and already exhibited a paper profit of \$50.

The price executive reflected that it would take perhaps a year for the restaurant proprietor to use up that much soybean oil, and that stored under these conditions, the oil would take only two or three months to spoil.

Savings Through Negotiated Prices

The value of using negotiated contracts as well as open bids to secure necessary supplies for the armed forces has again been demonstrated by the Army Quartermaster Corps. The Army was recently in the market for a quantity of canned meats, ranging from canned beef to meat and vegetable stew and sausage. A comparison of the value of using negotiated bids as a supplement to

invitation bids is shown by the following figures:

Of the ten items wanted, negotiated bids were used as a supplemental device to get the necessary quantities in four items. Had negotiated bids not been used, the Army estimated that the total cost would have been \$1,642,090.47. However, by using this method savings totalling \$53,586.23 were effected with the result that the total amount actually paid by normal award and negotiations was \$1,588,504.24.

Bids on Canned Fruits and Vegetables

Some indications of the current market conditions with reference to canned fruits and vegetables are to be found in the responses to the Army's invitation bids on canned fruits and vegetables. Some of the items were handled by the San Francisco office and some by the Chicago office. As usual, both bids and negotiated contracts were used in covering requirements. Data on prices paid are not available. The highlights of the results are as follows:

San Francisco office: On apricots, bids at reasonable prices were not adequate to cover requirements. The remaining quantities were negotiated for in the open market. Prices quoted on asparagus were so high as to make this item a non-essential luxury. Cherry requirements were covered by bids.

On peaches new specifications were issued and bids were opened on September 2. It is expected that responses will be adequate. Requirements were covered on pineapples with response excellent. On pears, requirements were covered by invitation bids plus negotiation. Awards have been made on the entire needs of red salmon. "Medium reds and Chums" are still being packed and it is expected that requirements will be covered. On tuna the Army is getting its share of the pack and expects to cover requirements.

Chicago office: On the second invitation, awards were not adequate but the response was better than in the original invitation. Corn bids were opened on August 20 with the response disappointing in most sections. It is hoped that requirements will be covered by negotiations but probably another invitation will be issued to be opened at the end of the season.

On the following items the response was either disappointing or inadequate to cover requirements: tomatoes, tomato juice, catsup, lima beans, and stringless beans. On beets, however, needs were well covered by invitation and negotiation.

PURCHASES . . .

108 certificates of necessity for plant expansion issued to 88 corporations

A total of 108 certificates of necessity were issued to 88 corporations from August 16 to 31, inclusive, the National Defense Advisory Commission announced this week. These certificates were issued in connection with the construction and acquisition of new plant and manufacturing facilities, the estimated cost of which was \$14,601,000.

This brings the total issued through August 31 to 2,319 certificates. The cost of facilities covered to date was estimated at \$1,156,508,000.

A compilation of firms for the last half of August, and estimated cost of facilities follows:

The Aldrich Pump Co., Allentown, Pa.; pumps; \$40,000.

Allis-Chalmers Manufacturing Co., Milwaukee, Wis.; gun mounts and spare parts; \$112,000.

Allegheny Ludlum Steel Corporation, Brackenridge, Pa.; steel, carbon, alloy and silicon; \$47,000.

American Locomotive Co., New York, N. Y.; forgings; \$120,000.

Ampco Twist Drill Co., Jackson, Mich.; high speed jobber and wire drills; \$30,000.

Anaconda Wire & Cable Co., New York, N. Y.; shipboard cable; \$14,000.

Arter Grinding Machine Co., Worcester, Mass.; surface grinding machines; \$12,000.

E. C. Atkins & Co., Indianapolis, Ind.; metal cutting saws and spare segments; \$8,000.

Atlantic Basin Iron Works, Brooklyn, N. Y.; ship repairs; \$13,000.

Axelson Manufacturing Co., Vernon, Calif.; airplane engine lathes and landing gear oils; \$28,000.

Beatty Machine & Manufacturing Co., Hammond, Ind.; hydraulic presses and plate work machines; \$26,000.

Bell Aircraft Corporation, Buffalo, N. Y.; airplanes, interceptor pursuit aircraft; \$218,000.

Ben-Hur Mfg. Co., Milwaukee, Wis.; trallers; \$52,000.

Bethlehem Steel Co., Bethlehem, Pa.; cruisers; \$346,000.

Blaw-Knox Co., Pittsburgh, Pa.; machining of armor cast steel; \$22,000.

Bridgeport Brass Co., Bridgeport, Conn.; ammunition cases and caliber cups; \$24,000.

Edward G. Budd Manufacturing Co., Philadelphia, Pa.; magazines and aircraft depth bombs; \$149,000.

The Byer Manufacturing Co., Orono, Maine; gas mask carriers; \$14,000.

Camden Forge Co., Camden, N. J.; propulsion shafts and parts for vessels; \$73,000.

The Carey Machine Co., Cleveland, Ohio; Diesel engine parts machine shop work; \$186,000.

Chicago, Milwaukee, St. Paul & Pacific Railroad Co., Chicago, Ill.; transportation; \$5,000.

Chicago Rubber Clothing Co., Racine, Wis.; rubberized fabrics; \$2,000.

Cochrane Corporation, Philadelphia, Pa.; steam power plant equipment, \$107,000.

Crane Co., Chicago, Ill.; steel, toggle and brass valves for ships; \$28,000.

De Laval Steam Turbine Co., Trenton, N. J.; turbines and pumps, reduction gears and feed system pumps for destroyers; \$190,000.

Doran Co., Seattle, Wash.; ship propellers, liner castings, valves and fittings; \$34,000.

Dravo Corporation, Pittsburgh, Pa.; sheet metal work for submarine chasers and minesweepers; \$59,000.

E. I. duPont de Nemours & Co., Wilmington, Del.; lead oxide, detonators and T. N. T. blocks; \$108,000.

Eastern Machine Screw Corporation, New Haven, Conn.; thread-cutting tools, die heads and chasers; \$57,000.

Endurance Manufacturing Co., Newark, N. J.; propeller hub spinner components; \$85,000.

Ex-Cell-O Corporation, Detroit, Mich.; aircraft parts machine tools, and Diesel engines; \$1,969,000.

Farmers Co-Operative Grain Co., Havana, N. Dak.; storage of grain; \$3,000.

Farmers Union Elevator Co. of Rudyard, Rudyard, Mont.; storage of grain; \$10,000.

Farrel-Birmingham Co., Inc., Buffalo, N. Y., and Ansonia, Conn.; propulsion units and aircraft engine reduction units; \$228,000.

Federal-Mogul Corporation, Detroit, Mich.; bushings and bearings for aircraft engines and airplanes; \$5,000.

The Penn Manufacturing Co., Hartford, Conn.; airplane and machine gun parts; \$77,000.

Firestone Tire & Rubber Co., Akron, Ohio; mobile carriage assemblies for antiaircraft guns; \$570,000.

Firth-Sterling Steel Co., McKeesport, Pa.; metallic cobalt powder, cemented carbide for making tools and dies; \$145,000.

Foster Wheeler Corporation, New York, N. Y.; boilers, economizers, and condensers; \$88,000.

Fresno Interurban Railway Co., Chicago, Ill.; railroad transportation; \$12,000.

Fruehauf Trailer Co., Detroit, Mich.; semi-trailers; \$94,000.

The Fulton Syphon Co., Knoxville, Tenn.; fuzes and cartridge cases, \$1,000.

General Motors Corporation, Detroit, Mich.; machine guns, cartridge cases, aircraft spark plugs, \$2,143,000.

Gorman Heat Treating Corporation, Springfield, Mass.; commercial heat treating of steel; \$6,000.

The Greenport Basin & Construction Co., Inc., Greenport, L. I., N. Y.; construction, conversion and repairing of vessels; \$310,000.

Grove Regulator Co., Oakland, Calif.; pump governors, pressure regulating equipment; \$58,000.

Gulf, Mobile & Ohio Railroad Co., Mobile, Ala.; railroad transportation; \$20,000.

Henningsen Bros., Inc., New York, N. Y.; spray dried eggs; \$54,000.

Ingersoll-Rand Co., Phillipsburg, N. J.; blowers, compressors, pumps, and Diesel engines; \$389,000.

The Jacobs Manufacturing Co., Elmwood, Conn.; drill chucks; \$117,000.

Kropp Forge Co., Chicago, Ill.; forgings; \$281,000.

Lehigh Valley Railroad Co., New York, N. Y.; railroad transportation; \$109,000.

Warren McArthur Corporation, New York, N. Y.; aircraft and maritime seating; \$34,000.

Markey Machinery Co., Inc., Seattle, Wash.; windlasses, cargo and deck, winches; \$35,000.

Merrill-Stevens Dry Dock & Repair Co.,

Jacksonville, Fla.; vessels: equipment parts and repairs; \$123,000.

Metal Compress Co., Ann Arbor, Mich.; briquetted borings and turnings; \$34,000.

Monarch Aluminum Manufacturing Co., Cleveland, Ohio; heat treating, permanent mold, aluminum casting; \$8,000.

The Monarch Machine Tool Co., Sidney, Ohio; metal working lathes; \$59,000.

Monsanto Chemical Co., St. Louis, Mo.; phenol, picric acid and synthetic fibers; \$75,000.

O. T. Muehlemaier Heat Treating Co., Rockford, Ill.; heat treating of airplane parts and machine tools; \$18,000.

The Mullite Refractories Co., Shelton, Conn.; firebricks, shapes, and cements; \$31,000.

National Aniline & Chemical Co., Inc., New York, N. Y.; aniline oil and synthetic organic chemicals; \$351,000.

New England Structural Products Co., Chelsea, Mass.; minesweeping gears; \$7,000.

Northrop Aircraft, Inc., Hawthorne, Calif.; assembly of aircraft; \$85,000.

Ohio Ferro-Alloys Corporation, Canton, Ohio; high carbon ferrochromium; \$146,000.

Oregon-Washington Railroad & Navigation Co., Omaha, Neb.; transportation; \$8,000.

Owensboro Milling Co., Inc., Owensboro, Ky.; grain storage; \$23,000.

Poulsen & Nardon, Inc., Los Angeles, Calif.; aircraft parts; \$187,000.

Premier Oil Refining Co. of Texas, Longview, Tex.; octane aviation gasoline; \$1,730,000.

Reed-Prentice Corporation, Worcester, Mass.; lathes and vertical milling machines; \$5,000.

Republic Aviation Corporation, Farmingdale, Long Island, N. Y.; pursuit type airplanes; \$674,000.

W. A. Robinson, Inc., Ipswich, Mass.; minesweepers; \$5,000.

Roller Bearing Co. of America, Trenton, N. J.; needle bearings for aircraft and machine tools; \$93,000.

Sandusky Foundry & Machine Co., Sandusky, Ohio; centrifugally cast castings (ferro and nonferrous); \$59,000.

Scovill Manufacturing Co., Waterbury, Conn.; brass metal components, fuzes, boosters, cartridge cases, and condenser tubing, \$260,000.

Seeley Tube & Box Co., Newark, N. J.; fibre containers for ammunition storage; \$135,000.

Signode Steel Strapping Co., Chicago, Ill.; steel strapping and strapping tools; \$192,000.

Stewart-Warner Corporation, Chicago, Ill.; fuzes, pistols, depth charges, projectiles and boosters; \$260,000.

Thompson Products, Inc., Cleveland, Ohio; fuel and booster pumps, valves, and parts for aircraft and aircraft engines; \$2,000.

Todd Seattle Dry Docks, Inc., Seattle, Wash.; repair and reconditioning of vessels; \$36,000.

United Engineering Company, Ltd., San Francisco, Calif.; fleet tugs; \$480,000.

Union Twist Drill Co., Athol, Mass.; taps, dies, drills, etc.; \$102,000.

V & O Press Co., Inc., Hudson, N. Y.; sheet metal work presses; \$64,000.

Vulcan Crucible Steel Co., Aliquippa, Pa.; high speed tool and special alloy steels; \$74,000.

Warner Electric Brake Manufacturing Co., Winnebago County, Ill.; electric brakes and controls; \$30,000.

Watson-Flagg Machine Co., Paterson, N. J.; precision gears, gear motors, and hydraulic drive units; \$190,000.

Western Gear Works, Seattle, Wash.; holsts, gears, and various small parts; \$33,000.

Willamette Hyster Co., Portland, Oreg.; towing and hoisting winches; \$75,000.

\$292,901,020 War Department contracts cleared August 28 through September 3

Defense contracts totaling \$292,901,020 were awarded by the War Department and cleared by the Division of Purchases, Office of Production Management, during the period August 28 through September 3. This compares with a total of \$194,432,502 for the previous week.

Contracts for construction amounted to \$73,446,913; contracts for ordnance to \$30,739,990; contracts for aircraft to \$184,150,490, and contracts for equipment and supplies to \$4,563,627.

A compilation of contract announcements for the week follows:

CONSTRUCTION

Foster and Creighton Co., Nashville, Tenn.; construction of engine test building at Brookley Field, Mobile, Ala.; \$866,285.

Two contractors: R. W. Briggs & Co. and Hill and Combs of San Antonio, Tex.; construction of advanced single engine flying school at Mission, Tex.; \$4,090,618.

The Austin Co., Cleveland, Ohio; construction at Port of Embarkation, Seattle, Wash.; \$1,537,936.

Basic Magnesium, Inc.; establishment of plant facilities near Gabbs, Mead, and Las Vegas, Nev., for production of magnesium; \$63,168,799. (Defense Plant Corporation agreement of leases.)

Menasco Manufacturing Co.; additional plant facilities and necessary machinery and equipment for manufacture of landing gear struts at or near Burbank, Calif.; \$1,639,058. (Defense Plant Corporation agreement of lease.)

North American Aviation, Inc., of Texas; additional plant facilities at Dallas, Tex., for manufacture of airplanes; \$1,314,973. (Defense Plant Corporation agreement of lease.)

Ford J. Twaits Co., Los Angeles, Calif.; construction of engine test building, McClellan Field, Sacramento, Calif.; \$829,244.

AIRCRAFT

Jack and Helntz, Inc., Cleveland, Ohio; starter assemblies; \$7,833,800.

Douglas Aircraft Co., Santa Monica, Calif.; airplanes and spare parts; \$176,316,690.

ORDNANCE

Barium Stainless Steel Corporation, Canton, Ohio; metallic belt links; \$4,011,400.

Aluminum Industries, Inc., Cincinnati, Ohio; shot; \$3,960,000.

Link Belt Co., Indianapolis, Ind.; shot; \$4,999,850.

Clark Grave Vault Co., Columbus, Ohio; shells; \$889,100.

Jones & Laughlin Steel Corporation, Aliquippa, Pa.; shells; \$4,788,460.

General Railway Signal Co., Rochester, N. Y.; shells; \$4,417,500.

National Enameling & Stamping Co., Granite City, Ill.; cartridge cases; \$1,294,650.

Regina Corporation, Rahway, N. J.; fuzes; \$548,895.

Sefton Fibre Can Co., St. Louis, Mo.; containers; \$1,019,431.

Crocker Wheeler Electrical Mfg. Co., Amper, N. J.; bomb bodies; \$2,096,250.

Struthers-Wells-Titusville Corporation, Titusville, Pa.; forgings; \$596,953.

LeBlond Machine Tool Co., Cincinnati, Ohio; drilling machines; \$2,117,501.

EQUIPMENT AND SUPPLIES

Taylor Bedding Mfg. Co., Taylor, Tex.; 200,000 cotton mattresses; \$963,160.

Equitable Equipment Co., Inc., New Orleans, La.; steel tugs; \$518,000.

Gibbs Underwear Co., Philadelphia, Pa.; 500,000 prs. wool drawers; \$607,000.

Boyt Harness Co., Des Moines, Iowa; 125,000 haversacks; \$528,750.

Willys-Overland Motors, Inc., Toledo, Ohio; ¼-ton trucks; \$1,946,717.

SUBCONTRACT

M. W. Kellogg Co., New York City; design, construction, and equipping of anhydrous ammonia plant at Sterling, La. (Commercial Solvents Corporation of New York City has contract as previously announced and will operate plant.)

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Work begun on simplifying standards

Work on emergency standards to be used as a basis for simplification of domestic refrigerators has been started by a committee of the American Standards Association meeting with the Consumer Division, Office of Price Administration, OPA announced September 7.

The purpose was to work out methods to conserve strategic materials needed in defense, and to reduce overhead and labor costs by eliminating unnecessary accessories and by cutting down on the number of models produced. The meeting, held September 5, was conducted by W. M. Timmerman, of the General Electric Co. Attending were representatives of the six largest refrigerator manufacturing companies, as well as the Office of Price Administration, the Office of Production Management, and other Government agencies interested in standards. Suggestions presented at the meeting will be developed at further meetings into a standard known as the "Emergency American Standard" for eventual publication.

Other consumer goods to be simplified

This work was instituted by the American Standards Association at the request of Harriet Elliott, Associate Administrator, Office of Price Administration, in charge of the Consumer Division. Miss Elliott has also requested the American Standards Association to establish specifications for simplification of other consumer goods, including washing machines, electric hand irons, and finished sheets, as well as to establish standard definitions for broadcloths and denims.

Rail for re-laying to be under products schedule

Railroad rail that is sold for re-laying purposes is being taken out of the iron and steel scrap price schedule and transferred to the iron and steel products schedule, according to an announcement made September 6 by the Office of Price Administration.

An amendment to the iron and steel products schedule will establish maximum prices for rail sold to be re-laid for further transportation use.

The scrap schedule had allowed a charge of 5 dollars a ton above the re-rolling rail ceiling prices in the case of rail of re-laying quality. By an amendment this provision is deleted and a paragraph is substituted defining "rail for re-rolling" as any rail sold for re-rolling purposes, whether or not such rail is of re-laying quality. Thus, the prices of any rail sold to be used for re-rolling must not exceed the maximum prices for re-rolling rail as set forth in the scrap schedule.

It is not desirable that rail of re-laying quality be used for re-rolling purposes. Both re-rolling rail and re-laying rail are in great demand under the defense program.

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James S. Adams resigns as chief of Automotive Branch

James S. Adams has resigned as chief of the Automotive Branch of OPM, due to the illness of his business associate, E. H. Little, president of the Colgate-Palmolive-Peet Co., but he will remain on the staff of OPM as a consultant subject to call.

Announcing this September 5, William S. Knudsen, Director General, OPM, Sidney Hillman, Associate Director General; and Leon Henderson, Director of the Division of Civilian Supply, issued this statement:

"We regret that Mr. Adams finds it necessary to leave the position of chief of the Automotive Branch of OPM. He has made a splendid contribution toward solving the difficult problem of curtailing passenger-car production and shifting more of the industry's resources to defense production, while holding labor dislocations in this field to a minimum.

"It is a matter of much satisfaction to us that Mr. Adams has agreed to continue on the staff of OPM as a consultant subject to call."

MEDIATION BOARD . . .

54,571 returned to work or postponed strikes in cases before Board in August

The National Defense Mediation Board announced this week that during the month of August men had either returned to work or postponed threatened strikes in 15 cases before the Board, involving a total of 54,571 workers.

Cases handled in August

Of these 15 cases, strikes were in progress in 6, involving 11,278 men, when the cases were certified to the Board. In each of these 6, the men returned to work at the Board's request before hearings were held on the issues in dispute. In 4 cases, involving 21,925 men, threatened strikes were postponed at the Board's request. In 2 cases, a total of 1,143 men went on strike while the Board was considering recommendations. Both strikes were ended—in one case at the request of the Board; in the second, following a complete agreement between the parties. In two cases, a total of 17,225 men went on strike after the employer in each case had rejected a Board recommendation for settling the dispute. One of these strikes was ended when the employer agreed to accept the bulk of the recommendations, leaving the rest open for further discussion; the other, when the Navy Department took over possession and operation of the plant under a Presidential Executive order. In the fifteenth case, 3,000 men returned to work at the request of the Board after hearings had begun but before any final settlement had been reached.

Cases certified in August

A total of 14 new cases, involving 39,178 workers, were certified to the Board during August. Of these, 4 were threatened strikes, involving 21,500 men, which were postponed at the request of the Board. In the 10 remaining cases, involving 17,678 men, work stoppages had occurred before certification. Of these 10, a total of 14,278 men, involved in 7 cases, returned to work at the Board's request, and 3, involving 3,400 men, were pending by the close of the month. Of these 3, one was a lock-out involving 1,000 men; in a second case, involving 600 men, the union had accepted a Board return-to-work formula and was awaiting acceptance by the company before returning to work; and 1,800 men were still on strike at the end of the month in the third case.

The Board last week (September 1-7) announced agreements in two cases; announced that findings of fact would be made within a week in a third case, and received certification of four new cases.

United States Gypsum Co.

On September 3 the Board appointed Owen D. Young as special representative to investi-

gate the issues in dispute between the United States Gypsum Co. and the Gas, By-Products, Coke and Chemical Workers, C. I. O. Mr. Young will start hearings on the case on Tuesday, September 9, at his offices in New York City. His report will be made to the Board within 30 days, after which the Board will hold further hearings. If no agreement is then reached, findings of fact and recommendations will be issued.

Consolidated Edison Co.

The report of Arthur S. Meyer, chairman of the New York State Board of Mediation, on the issues involved in the dispute between the Consolidated Edison Co. of New York, the International Brotherhood of Electrical Workers and the Brotherhood of Consolidated Edison Employees was made public September 6. In his report as a special representative of the Board, Mr. Meyer pointed out that since the issues in the case would not come to a head for almost a year, mediation at this time would be difficult. However, since failure to settle the dispute might result in a test of strength between the company and 180,000 members of the Building and Construction Trades Council of Greater New York, with consequent great damage to the parties and the community, he recommended further attempts at mediation by the Board.

Pullman Standard Manufacturing Co.

In the record time of 3½ hours on September 4, a five-man panel, composed of Charles Wyzanski for the public, Roger Lapham and Walter Teagle for employers, and George Lynch and Emil Rieve for employees, made informal recommendations in the dispute between the Pullman Standard Car Manufacturing Co. of Bessemer, Ala., and three unions—the Steel Workers Organizing Committee, CIO, the International Brotherhood of Electrical Workers and the International Association of Machinists, both AFL. The two issues in the case were the proper bargaining agency and the alleged discriminatory discharge of an employee. The Board recommended that both issues be decided by the National Labor Relations Board, which was asked to expedite its procedure by the Mediation Board. All four parties accepted the Board's recommendation. A strike of 1,150 employees at the plant had been called off at the request of the Board. The company, which has railroad defense orders, makes about 45 freight cars a day.

Curtiss-Wright Corporation

After a final day of hearings, September 5, the Board announced that it would issue findings of fact in the dispute between the Curtiss-Wright Corporation, the International Association of Machinists, AFL, and an independent union, Propeller Craft, Inc. A strike over wages, involving 740 employees, at the company's Caldwell, N. J., plant, called by members of the AFL union, had been ended at the request of the Board. The company makes propellers for planes.

Kellogg Switchboard & Supply Co.

On September 4, negotiations were reopened in the dispute between the Kellogg Switchboard & Supply Co. of Chicago, the International Brotherhood of Electrical Workers and the International Association of Machinists, both AFL. This case had been before the Board for several days during April and May, at which time an agreement had

been reached on all issues except that of wage classifications. This was to be negotiated and, if negotiations failed after 3 months, the parties were to return to the Board. After 2 days of negotiations before Archibald Cox, board assistant, complete agreement was reached. The company makes microphones and telephone equipment for the Army Signal Corps.

New cases

The four new cases certified to the Board last week were: The Aluminum Co. of America, Vancouver, Wash.; the Kansas City Power & Light Co., Kansas City, Mo.; the Pressed Steel Car Co., Pittsburgh; and the Lamson and Sessions Co., Cleveland, Ohio.

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Plan for more flexible distribution of raw rubber proposed at joint meeting

OPM Associate Director General Hillman announced September 7 that a joint meeting of the OPM Rubber Labor Advisory Committee and a labor subcommittee of the Rubber Industry Advisory Committee had proposed a plan to make more flexible the distribution of raw rubber among plants of firms having more than a single establishment. In addition, the plan assures labor that an equitable supply of rubber to all plants will prevent labor standards from being undermined in any community.

Cushion impact on workers

The plan was a result of discussions designed to find methods by which existing priorities on rubber may be applied to cushion the impact of the reduction in rubber processing on the 150,000 workers employed in the industry.

Seventy-three companies owning 2 to 13 plants and a total of 191 plants processing 75 percent of all rubber will be chiefly affected.

The plan proposes a technique of plant allocation of rubber and provides that any question arising from the redistribution of rubber by a firm among its branches will be submitted to a joint conference of local union representatives, the management, and the OPM Regional Labor Supply Committee.

Where there is no union in the plant, it was proposed that the Labor Supply Committee, management, and a third person mutually agreeable will discuss the question of redistribution. In all instances where such meetings fail to obtain an agreement, the issue will be submitted to the proper OPM authorities.

LABOR . . .

Silk labor committee makes recommendations as 25,000 are reported displaced from jobs

OPM Associate Director General Hillman announced September 6 that the OPM silk labor committee had unanimously adopted six recommendations designed to alleviate the effects of priority unemployment among the silk industry's 175,000 employees.

Labor leaders attending the meeting declared that the committee's proposals, together with application of the "Buffalo Plan" as developed by the OPM Labor Division, will greatly cushion the effects of priority unemployment and shorten the period of joblessness. A program of training, retraining, and placement of displaced workers has been successfully applied to several other industries by the OPM Labor Division, and the silk leaders believe that similar efforts may be equally effective in the silk industry.

25,000 unemployed

The union representatives expressed gratification on learning that Labor Division officials have already made investigations of the priority unemployment situation in Paterson, the Scranton Wilkes-Barre area, and the North Carolina area. The Labor Division has already set tentative dates for the holding of conferences which will study the application of the "Buffalo Plan" to these areas, the union leaders were informed.

Temporary unemployment caused by

stoppage of silk imports and the difficulty of obtaining substitute yarns has already reached 25,000 workers, 14 percent of the industry's total labor force, the committee was told by the Bureau of Labor Statistics.

Recommendations

The committee's recommendations were:

That the Government should allocate all synthetic yarns set aside by priority orders to former silk processors if a free and fair flow of rayon does not develop. That the 1½ percent of rayon now held by the Government should be distributed immediately to former silk processors now in distress.

That OPM-sponsored conferences for the training, retraining, and placement of displaced textile workers should be held immediately in Paterson, Wilkes-Barre, Scranton, Reading, Charlotte, and Burlington.

That these conferences should be a part of a national program in placing workers displaced as the result of priorities and shortages.

That Lessing Rosenwald, chief of the OPM's silk commodity section, call a meeting of the rayon industry committee at the earliest possible moment.

That Mr. Rosenwald request every rayon producer to send a monthly report to his office on the distribution of rayon and acetate by weight and denier to each former silk processor.

Paper industry future bright, labor committees told

OPM Associate Director General Sidney Hillman announced September 4 that a joint meeting of three labor advisory committees for the paper and pulp, printing and publishing industries received reports that employment in all sections of the industry has greatly increased during the past year, and is expected to advance even further during 1942.

Neither labor dislocation nor lack of materials will constitute a serious obstacle to expanded production of paper and pulp products anticipated for the future, the meeting was told. Priorities will not have an adverse effect on the industry. On the contrary, it was said, priorities may stimulate the appearance of many more products in paper and cardboard containers after the national emergency has passed.

165,000 employed

Added to the picture of the industry's favorable future was an agreement among the trade union representatives that labor-management harmony and cooperation are at a high level and that no disputes are foreseen in any section of the industry.

The meeting was told that an estimated 165,000 workers are currently employed in the pulp and primary paper mills, compared to 130,000 last year. Both pay rolls and employment figures have risen in recent months.

The meeting adopted unanimously a resolution recommending that (1) replacement parts, equipment and materials be given priority rating to insure their prompt availability for the operating needs of the industry; and (2) industry-wide surveys be made at once of the material, equipment and maintenance needs of each industry in order to provide a co-ordinated program for servicing the requirements of each industry.

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MATS OF CHARTS

One-column mats of the pictorial statistics appearing each week on the cover of DEFENSE are available to newspapers and other publications on request to the Distribution Section, Information Division, Office for Emergency Management, Washington, D. C.

Labor-industry conferees plan orderly transfer of auto workers

Plans for orderly transfer of automobile workers into defense industries were formulated in Detroit September 4 at a joint conference of labor and industry leaders, called by Associate Director General Hillman, OPM. The meeting recessed until September 10 after drafting tentative suggestions for consideration.

Arthur S. Flemming, chief of the Labor Supply Branch of OPM's Labor Division, presided over the meeting, which was held at the Detroit-Leland Hotel. He reported that the conferences were harmonious and progress was made.

Labor, management, and Government officials conferred together from 9:30 a. m. through 7 p. m. on the problems of displacement which are expected to result from the cut in passenger-car production and the increased production of defense items.

The United Automobile Workers, CIO, through its international union headquarters in Detroit, has been cooperating with the Labor Division in planning for registration, reemployment, and retraining, if necessary, of the many automobile workers who are expected to be shifted from the passenger-car production to defense jobs. A national union committee and local committees are being set up.

HOUSING . . .

Way cleared to extend credit for repair and remodeling of homes in defense areas

Copies of forms and procedures which will clear the way for the extension of credit for the repair and remodeling of homes in defense areas were distributed September 5 to all Federal Reserve Banks and Branches by the Division of Defense Housing Coordination:

The forms and procedures will implement exceptions to Federal Reserve consumer credit regulations as contained in Section 6 (e) (2). This provides that the limitations on installment credit, even when not excepted under other provisions, shall not apply when the proceeds are to be used to finance the remodeling or rehabilitation of any dwelling which the Defense Housing Coordinator shall designate as being for "defense housing" as defined by the Coordinator.

Must conform to requirements

In announcing the procedures making this section operative, Charles F. Palmer, Coordinator of Defense Housing, pointed out that no application for an exception under the credit regulations would be granted unless it involved the remodeling or rehabilitation of a dwelling—

- (a) located in an area where an acute housing shortage exists or impends by reason of national defense activity;
- (b) suitable in location, rent, or price, for persons engaged in national defense activities in the area;
- (c) reasonable preference in occupancy in which will be given to defense workers; and
- (d) the number of habitable dwelling units in which will be increased thereby.

Application for an exception

Any person proposing remodeling or rehabilitation conforming to the above requirements, Mr. Palmer said, could, if unable to undertake such work without an exception, make application to the coordinator by completing a form entitled "Application for Designation of Remodeling or Rehabilitation as Defense Housing for Exception under Regulation W." This form is now available at any Federal Reserve Bank or branch.

Determination of priorities aid

In order that the coordinator may determine whether or not the applicant for credit will require priorities aid to secure materials with the proceeds of his loan, there has also been provided a separate form entitled "Information Regarding

Material and Equipment Entering into Defense Housing Remodeling and Rehabilitation." This form should be completed and submitted along with the application for designation unless the applicant is certain no priorities aid is necessary, in which case the application or designation should so indicate.

It was pointed out that in many localities local housing committees or Homes Registration Offices working in cooperation with the Division of Defense Housing Coordination and other governmental housing agencies are encouraging remodeling and rehabilitation campaigns for defense housing purposes. Approval by the coordinator of any application will be expedited if application forms are accompanied by evidence that the proposed work is approved by the local group.

1,549 defense homes completed, 2,250 put under contract in week

More than 1,500 homes for defense workers and enlisted personnel were completed, 2,250 placed under construction contract, and 5,016 started under FHA inspection by private industry the week ending August 30, Charles F. Palmer, Coordinator of Defense Housing, announced.

Among the 1,549 homes completed with public funds, 216 are located at San Diego, Calif., 100 at Ellwood City, Pa., and 140 at Langley Field, Va. These homes were built by the Public Buildings Administration for civilian and enlisted personnel. The United States Housing Authority reported 200 homes for enlisted personnel completed at Miami, Fla.

The Philadelphia area received the largest number of construction contracts for the week with 1,400 homes for civilian workers. The United States Housing

Authority awarded the contracts. Among other awards were 400 homes for civilian workers at Bridgeport, Conn., to be built by the Federal Works Agency, and 250 homes in the Washington, D. C., area, for civilian workers, to be constructed by the United States Housing Authority.

Under the temporary shelter program, 500 dormitory units were placed under construction contract in Ravenna-Warren, Ohio, for civilian workers. Also placed under contract were 200 trailers for civilian workers employed at the navy yard in Vallejo, Calif. The Farm Security Administration awarded the contracts.

As of August 30, over 111,500 homes had been allocated for civilian and enlisted personnel. Of this number 83,535 have been put under construction contract and 32,432 completed.

STATUS OF PUBLIC DEFENSE HOUSING CONSTRUCTION, AUGUST 30, 1941

	Funds allocated		Contracts awarded		Complete	
	August 30	August 23	August 30	August 23	August 30	August 23
Number of States and Territories	49	49	47	47	26	25
Number of localities	176	176	160	158	92	90
Number of projects	428	428	299	292	135	129
Number of family dwelling units (regular)	111,546	111,545	83,535	81,285	32,432	30,883
Civilian industrial workers in private defense industry	50,915	50,915	33,323	31,523	8,560	7,782
Civilian industrial workers in Government plants	19,201	19,201	16,047	15,597	4,194	4,194
Other civilians, employed by the Army and Navy	20,642	20,642	8,804	8,804	3,660	3,660
Married enlisted personnel	30,787	30,787	25,361	25,361	16,018	15,247
Number of family dwelling units (trailers)	4,254	4,154	3,834	3,634	1,675	1,675
Civilian industrial workers in private defense industry	3,634	3,634	3,434	3,234	1,675	1,675
Civilian industrial workers in Government plants	620	620	400	400		
Number of units for single persons	9,591	9,591	7,624	7,124	4,931	4,231

NEW HOMES STARTED UNDER FHA INSPECTION

January 1, 1941, through August 30, 1941	147,349
Week ended August 30, 1941	5,016

HEALTH AND WELFARE . . .

President creates Defense Health, Welfare Office under McNutt as director

President Roosevelt on September 3 created within the Office for Emergency Management the Office of Defense Health and Welfare Services, and specified that the Federal Security Administrator (Paul V. McNutt, who was coordinator of Health, Welfare, Nutrition, Recreation, and Related Defense Activities) serve as director. The Executive order follows:

By virtue of the authority vested in me by the Constitution and statutes of the United States, and in order to define further the functions and duties of the Office for Emergency Management of the Executive Office of the President with respect to the national emergency as declared by the President on May 27, 1941, for the purpose of assuring adequate health and welfare services to meet needs of the national defense program, it is hereby ordered:

1. The term "health and welfare services" as used in this Order means all health, welfare, medical, nutrition, recreation, and related services including those aspects of education under the jurisdiction of the Federal Security Agency.

2. There is established within the Office for Emergency Management of the Executive Office of the President the Office of Defense Health and Welfare Services, at the head of which the Federal Security Administrator shall serve as Director. The Director shall discharge and perform his responsibilities and duties under the direction and supervision of the President. The Director shall receive no salary or other remuneration as such, but shall be entitled to actual and necessary transportation, subsistence, and other expenses incidental to the performance of his duties.

Serves as coordinating center

3. Subject to such policies, regulations, and directions as the President may from time to time prescribe, the Office shall:

a. Serve as the center for the coordination of health and welfare services made available by the departments and agencies of the Federal Government, and other agencies public and private, to meet the needs of State and local communities arising from the defense program; and take necessary steps to secure the cooperation of the appropriate Federal departments and agencies relative thereto.

b. Make available to States and localities, upon request, the services of specialists in health and welfare activities to assist in the planning and execution of such local and State programs.

Provisions for the emergency

c. Study, plan, and encourage measures designed to assure the provision of adequate defense health and welfare services to the citizens of the Nation during the period of the emergency, and coordinate studies and surveys made by Federal departments and agencies with respect to these fields.

d. Keep the President informed with respect to progress made in carrying out this Order; and perform such related duties as

the President may from time to time assign or delegate to it.

4. The Director may provide for the internal organization and management of the Office of Defense Health and Welfare Services. He shall obtain the President's approval for the establishment of the principal subdivisions of the Office and the appointment of the heads thereof.

To cooperate with OCD and others

5. In the study of problems and in the discharge of its functions and responsibilities it shall be the policy of the Office of Defense Health and Welfare Services to collaborate with and to utilize, in so far as practicable, the facilities and services of existing departments and agencies which perform related functions. Furthermore, it shall be the policy of the Office of Defense Health and Welfare Services in carrying out its functions and duties to work with and through the State and local defense councils and other appropriate State and local agencies, and in this connection to cooperate and work in conjunction with the Office of Civilian Defense in its relationships with State and local groups.

Advisory committee on defense aspects

6. There shall be in the Office of Defense Health and Welfare Services a Health and Medical Committee to consist of a Chairman to be appointed by the President, the Surgeon General of the Army, the Surgeon General of the Navy, the Surgeon General of the United States Public Health Service, the Chairman of the Committee on Medical Research of the Office of Scientific Research and Development, and such others as the President may from time to time determine. The Committee shall advise the Director regarding the health and medical aspects of national defense exclusive of medical research and assist in the coordination of health and medical activities affecting national defense. The members of the Committee shall serve as such without compensation but shall be entitled to actual and necessary transportation, subsistence and other expenses incidental to the performance of their duties.

7. The Director is authorized to appoint such advisory committees and subcommittees, with respect to particular aspects of health, welfare, nutrition, recreation, and related activities as he may find necessary or desirable to assist him in the performance of his duties. Such advisory committees may include representatives from Federal departments and agencies, State and local governments, private organizations and the public at large. The members of advisory committees shall serve as such without compensation, but shall be entitled to actual and necessary transportation, subsistence, and other expenses incidental to the performance of their duties.

8. Within the limits of such funds as may be appropriated or allocated to the Office of Defense Health and Welfare Services by the President, the Director may employ necessary personnel and make provision for the necessary supplies, facilities and services through the Federal Security Agency. The Office of Defense Health and Welfare Services may use such statistical, informational, fiscal, personnel, and other general business services and facilities as may be made available through the Office for Emergency Management.

Lonely outpost duty spurs ingenuity in recreation

Some of America's outposts are deficient in community recreation facilities. But records in the files of Federal Security Administrator Paul V. McNutt, who is Director of Defense Health and Welfare Services, indicate that, with ingenuity and imagination, solutions can be found.

Boa-constrictor hunting is popular in British Guiana. Construction crews have organized an American Club and the largest boa reported was 14 feet long.

In Trinidad, homesick New Yorkers employed on naval base construction go walking on Asphalt Lake, one of the purest deposits of solid asphalt in the world.

The Bermuda Government has bought the Hotel Hamilton and turned it into a recreation center for service men. A volunteer citizens' committee runs it. Beer is served but the free cocktail parties for arriving guests are no more. So are the \$25 a day rates.

At the Army camp near Unalaska two skeletons are found in the barracks. They were dug by soldiers from a nearby prehistoric archeological stratum. One is reported to have two sets of teeth; its owner says they were for double talk.

At Anchorage, troops pan gold from the sands.

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Bushnell to direct Inter-American sports

Nelson A. Rockefeller, Coordinator of Inter-American Affairs, announced August 31 the appointment of Asa S. Bushnell as director of the Sports Section of the Coordinator's Office.

Mr. Bushnell will direct the interchange of athletic teams and exhibition players among the American nations and cooperate with sports leaders of this country and the other Americas in plans for the Pan American games in Buenos Aires in 1942.

Before joining the Coordinator's staff, Mr. Bushnell was executive director of the Central Office for Eastern Inter-collegiate Athletics.

Mr. Bushnell was assistant treasurer of the American Olympic Committee in 1936 and is now a member of the executive committee of the U. S. Sports Federation, successor to the American Olympic Association.

AGRICULTURE . . .

National farm production goals established to assure those crops vital to defense

A farm production campaign for 1942 providing for a complete mobilization of American agriculture to adjust production to domestic needs for national defense, and to the needs of nations resisting aggression, was announced this week by Secretary of Agriculture Claude R. Wickard.

"For the first time in the history of agriculture in this country," said Secretary Wickard, "production goals for all essential farm commodities have been established. They have been established on the basis of a thorough canvass of the needs for improved nutrition in this country and the needs of the nations that still stand between this country and Hitler.

"Every farmer in the United States will be contacted by local farmer committeemen under the supervision of USDA Defense Boards and will assist with individual farm plans to determine the extent to which each farm can contribute to agriculture's task in national defense.

To check over-stocked products

"The adjustment machinery of the National Farm Program will be applied to the whole range of agricultural commodities to assure plenty of the commodities for which there is increased need while continuing to hold in check the production of commodities of which we already have large reserves.

"We are not going to repeat the mistakes of the first World War which brought a long series of difficulties for farm people. Through the machinery of the National Farm Program, farmers can produce what we need and avoid the bad after effects of an over-expanded farm plant. The fact that we are asking for greatly increased production of some commodities does not mean that the lid is off on production of all commodities. It is just as important to national defense and our future national welfare that we hold production of some commodities in check as that we increase supplies of others.

"The goals for 1942 call for the largest production in the history of American agriculture but we are not going to have to plow up the hills and the plains to get it. We have adequate reserves of feed grains for increased production of live-

stock products and it will not be necessary materially to increase total crop acreage next year.

FARM GOALS, 1942 (Compared with estimated 1941 production)		
Commodity	Estimated, 1941	1942 goal or expected production
Milk.....lbs..	116,809,000, 000	125,000,000,000.
Eggs.....doz..	8,676,000,000	4,000,000,000.
Hogs, number slaughtered.	71,000,000	79,300,000.
Beef and veal, number slaughtered.	25,100,000	28,000,000.
Chickens, number slaughtered.	680,000,000	750,000,000.
Lamb and mutton, number slaughtered.	22,400,000	22,900,000.
Corn.....acres..	87,363,000	87½ to 90 millions.
Oats.....do....	88,197,000	About 40,000,000.
Barley.....do....	14,813,000	14¼ to 14½ millions.
Grain sorghums, acres.	9,285,000	9¼ to 9½ millions.
All hay.....acres..	73,933,000	74 to 75 millions.
Cotton.....do....	23,519,000	22 to 24 millions.
Wheat.....do....	63,503,000	50 to 55 millions.
Tobacco:		
Flue-cured, acres.	747,700	About 762,000.
Burley.....acres..	363,900	About 358,000.
Other domestic, acres.	264,900	About 247,000.
Peanuts threshed, acres.	1,908,000	1,600,000 for nuts, ¹ 1,900,000 for oil. ¹
Soybeans for beans, acres.	5,550,000	7,000,000.
Flaxseed.....acres..	8,228,000	Same as 1941.
Sugar:		
Cane.....do....	255,000	{ No acreage limit expected.
Beet.....do....	800,000	
Rye (harvested), acres.	8,436,000	Same as 1941.
Rice.....do....	1,186,000	1,200,000.
Dry beans.....do....	2,220,000	Same as 1941.
Potatoes.....do....	2,988,000	About 3,060,000.
Sweet potatoes, acres.	843,000	About 850,000.
Commercial vegetables:		
Fresh use, acres.	1,843,000	1,935,000.
Processed, do....	1,487,000	1,500,000.
Farm gardens, number.	4,431,000	About 5,760,000.
Citrus fruit.....tons..	5,200,000	{ Since fruit production cannot be quickly increased emphasis will be on better distribution and prevention of waste.
Deiduous:		
Fresh use, tons.	19,600,000	
Canned.....cases..	33,000,000	
Dried.....tons..	600,000	
Lumber.....bd.ft..	31,500,000,000	32,000,000,000.
Pulp wood, cords..	15,000,000	15,800,000.
All other wood, cubic ft.	5,350,000,000	6,100,000,000.
Naval stores, turpentine, barrels.	285,000	400,000.

¹ In addition to peanut acreage allotments.

² Total fresh production for all uses, except that noncommercial apples are not included.

"Farm production in general is in good balance but greatly increased supplies of some commodities will be needed. In this emergency I have found it necessary to encourage the expansion of the production of hogs, eggs, evaporated milk, dry skim milk, cheese, and chickens, and accordingly I have today made a formal public announcement that the Department of Agriculture will support prices for these commodities until December 31, 1942, at not less than 85 percent of parity. Increases in the production of other crops in 1942 are also desirable as indicated by the goals. Other proclamations may be issued from time to time if it is found that special encouragement is needed to obtain adequate or desired supplies, or supplies which are considerably in excess of what farmers might otherwise be expected to produce.

Cites Act of Congress

"This public announcement is issued under the recent Congressional authorization contained in the Steagall amendment to the act of July 1, 1941, extending the life of the Commodity Credit Corporation. Under the terms of that act, whenever the Secretary of Agriculture finds it necessary during the existing emergency to encourage the expansion of production of any nonbasic agricultural commodity, the Department is required, within the limit of the funds available, to support a price for the producers at not less than 85 percent of parity."

In general, the production goals reflect suggested or expected production substantially larger than in recent years for livestock products with adequate supplies of feed grains to supply increased livestock numbers, expanded production of oil-producing crops, and a continuation of about the current level of production or less of cotton, wheat, and tobacco.

115 percent of '24-'29 average wanted

Goals for 1942 provide for a total farm production 15 percent higher than the 1924-29 average. Using 100 as the index of farm production for the 1924-29 period, the average for the 1936-40 period was 105. For 1941 it is estimated to be 113, and for 1942, it is expected to be 115. If 1942 production goals are reached it will be the third successive year of record production. While total production next year would be only about 2 percent greater than this year, much larger increases occur in the vitamin and mineral-

rich livestock products for which demand is increasing in this country and which are among the foods most needed by the British.

Britain needs food for 10 million

The British Government expects to need from this country about a fourth of its supply of animal protein foods or the equivalent of enough to feed 10 million people. Total British needs for United States farm products are expected to amount to about 6 to 8 percent of total farm production. Total exports, including Lend-Lease shipments, may amount to as much as 8 to 10 percent of total production.

For the fiscal year 1942-43, it is expected that exports may require the product of 25 to 27.5 million acres of cropland, which is about the same as the average for the period 1936-37 through 1940-41. For the fiscal year 1940-41 exports required only about half as much acreage as is expected for the fiscal year 1942-43.

★ ★ ★

Rogers to head OADR Division of Labor and Rural Industries

Appointment of William J. Rogers, of Texas, former chief of the Farm Placement Service, U. S. Employment Service, Washington, D. C., as chief of the Labor and Rural Industries Division of the Office of Agricultural Defense Relations, Department of Agriculture, has been announced by Director M. Clifford Townsend, OADR.

Mr. Rogers succeeds Raymond C. Smith, who has been serving on detail as chief of OADR's Labor and Rural Industries Division. Mr. Smith will return to his work as chief program analyst of the Bureau of Agricultural Economics.

★ ★ ★

August lake ore movement sets all-time monthly record

Iron ore movement on the Great Lakes during August reached 11,429,570 long tons, exceeding by 39,000 tons the July record and establishing an all-time monthly mark, according to OEM Transportation Commissioner Ralph Budd.

Total movement of iron ore to September has been 51,418,000 long tons, an increase of 13,182,000 long tons, or 34.7 percent, over the movement during the corresponding period of 1940.

Defense activities of OCD and Red Cross clarified by officials in joint statement

F. H. LaGuardia, director of the Office of Civilian Defense, and Norman H. Davis, chairman of the American National Red Cross, issued the following joint statement September 4 to clarify the responsibilities of the two agencies in civilian defense activities:

Office of Civilian Defense

1. The Office of Civilian Defense is the official Government agency "to assure effective coordination of Federal relations with State and local governments engaged in defense activities, to provide for necessary cooperation with State and local government in respect to measures for adequate protection of the civilian population in emergency periods, to facilitate constructive civilian participation in the defense program, and to sustain national morale." (See "Local Organization for Civilian Protection" issued by the U. S. Office of Civilian Defense, July 17, 1941.)

2. The American National Red Cross is the responsible agency for relief of suffering caused by disaster both in peacetime and in the national defense emergency, by providing food, clothing, shelter, medical and nursing care and other basic necessities. Therefore, the Red Cross Disaster Relief Service, nationally and in local chapters, will serve in emergency care and rehabilitation of individuals and families suffering from disaster caused by belligerent action during the national defense emergency in cooperation with governmental agencies—national, State, and local.

In rescue work and emergency medical service caused by belligerent action by which the Office of Civilian Defense assumes leadership and responsibility, the Red Cross will make its services available as needed. (See "Disaster Preparedness and Relief—manual for chapters," ARC 209, issued by the American Red Cross.)

3. The Red Cross "acts as a medium of communication between the people of the United States of America and their Army and Navy." Cases of active service and ex-service men and their families should be referred to the Red Cross which is responsible for providing or securing the service and assistance needed. In carrying out these services the Red Cross makes maximum use of other community resources.

4. Training of Office of Civilian Defense workers in first-aid and nurse's aide service is provided by the Red Cross through its programs of training in first-aid and nurse's aide courses. The recognized service of the Red Cross in training industrial workers and others in first-aid is drawn upon.

5. The Red Cross, through its chairman as a member of the Civilian Protection Board, has made available all of its services as needed by the Office of Civilian Defense, both national and local.

6. Councils of Defense and Red Cross Chapters in their civilian defense activities should develop their local plans of cooperation in accord with this joint statement of responsibility.

Crane and Hoan to attend Inter-American Congress

Jacob Crane, Assistant Coordinator of Defense Housing, left September 2 to attend the Second Inter-American Congress of Municipalities in Santiago, Chile, to be held September 15-21. He is attending the conference as a delegate of the American Committee for the International Union of Local Authorities.

The Congress is a part of the program to stimulate commercial and cultural relations between the American republics, and deals with problems of municipalities and measures used in solving such problems.

Mr. Crane goes as a part of a large United States delegation which also includes Daniel W. Hoan of the Office of Civilian Defense.

DCB establishes committee for liaison on priorities

For the purpose of cooperating with and assisting the Office of Production Management, the Defense Communications Board has established a priorities liaison committee. This group will study and report on material and equipment requirements for all types of wire and radio communications, with recommendations as to respective priorities. Such need is great for new and supplementary facilities made necessary by national defense expansion. The new committee will comprise a member each from other DCB committees as follows: telephone, telegraph, cable, radio-communications, domestic broadcasting, international broadcasting, aviation communications, amateur radio, state and municipal facilities.

CARLOADINGS REACH NEW 1941 PEAK

Revenue freight carloadings during the week ended August 30 totaled 912,720 cars, an increase of 18.7 percent over the 768,775 cars loaded during the corresponding week in 1940. The figure is also an increase of 12,970 cars over the previous week in 1941 and an increase of 4,056 cars over the previous peak week in 1941—the week ended June 28 when a total of 908,664 cars was loaded.

CARLOADINGS—WEEK ENDED AUGUST 30

	1941	1940	Per- cent in- crease
Grain and grain products.....	43,536	37,333	16.6
Livestock.....	12,462	16,168	22.9
Coal.....	170,338	138,428	23.1
Coke.....	13,470	11,595	16.2
Forest products.....	47,760	38,637	23.6
Ore.....	76,548	69,290	10.6
Merchandise l. c. l.....	158,311	163,660	3.0
Miscellaneous.....	390,305	303,664	28.5
Total.....	912,720	768,775	18.7
Cumulative—(36 weeks).....	27,724,313	23,454,913	18.2

¹ Decrease.

DON'T LET HIM DOWN . . . The poster at the right, showing a machine gunner in the cockpit of a bomber, is the fourth in the Office for Emergency Management's series for defense plants. The artist was Lester Beall, nationally known commercial designer. Two-column mats of the poster are available to newspapers and other interested publications on request to the Distribution Section, Division of Information, OEM, Washington, D. C.

OEM DEFENSE PHOTO



OFFICE FOR EMERGENCY MANAGEMENT

WAYNE COY, *Liaison Officer*

CENTRAL ADMINISTRATIVE SERVICES: Sidney Sherwood, *Director*.

DEFENSE AID REPORTS DIVISION: Maj. Gen. James H. Burns, *Executive Officer*.

DEFENSE COMMUNICATIONS BOARD: James Lawrence Fly, *Chairman*.

DEFENSE HOUSING DIVISION: C. F. Palmer, *Coordinator*.

INFORMATION DIVISION: Robert W. Horton, *Director*.

NATIONAL DEFENSE MEDIATION BOARD: Wm. H. Davis, *Chairman*.

OFFICE OF SCIENTIFIC RESEARCH AND DEVELOPMENT: Dr. Vannevar Bush, *Director*.

OFFICE OF CIVILIAN DEFENSE: Fiorello H. LaGuardia, *Director*.

OFFICE OF THE COORDINATOR OF INTER-AMERICAN AFFAIRS: Nelson Rockefeller, *Coordinator*.

OFFICE OF DEFENSE HEALTH AND WELFARE SERVICES: Paul V. McNutt, *Director*.

OFFICE OF PRICE ADMINISTRATION: Leon Henderson, *Administrator*.

CONSUMER DIVISION: In charge of Harriet Elliott, *Associate OPA Administrator*.

SUPPLY PRIORITIES AND ALLOCATIONS BOARD: The Vice President of the United States, *Chairman*; Donald M. Nelson, *Executive Director*; The Secretary of War; The Secretary of the Navy; William S. Knudsen; Sidney Hillman; Harry Hopkins; Leon Henderson.

TRANSPORTATION DIVISION OF THE ADVISORY COMMISSION: Ralph Budd, *Commissioner*.

OFFICE OF PRODUCTION MANAGEMENT: William S. Knudsen, *Director General*. Sidney Hillman, *Associate Director General*.

Secretary, Herbert Emmerich. *General Counsel*, John Lord O'Brien.

PRODUCTION DIVISION: W. H. Harrison, *Director*.

PURCHASES DIVISION: Douglas L. MacKeachie, *Director*.

PRIORITIES DIVISION: Donald M. Nelson, *Director*.

MATERIALS DIVISION: William L. Batt, *Director*.

CIVILIAN SUPPLY DIVISION: Leon Henderson, *Director*.

CONTRACT DISTRIBUTION DIVISION: Floyd B. Odum, *Director*.

LABOR DIVISION: Sidney Hillman, *Director*.

RESEARCH AND STATISTICS BUREAU: Stacy May, *Chief*.

DEFENSE



OFFICIAL WEEKLY BULLETIN OF DEFENSE AGENCIES IN THE OFFICE FOR EMERGENCY MANAGEMENT

WASHINGTON, D. C.

SEPTEMBER 16, 1941

VOLUME 2, NUMBER 37

DEFENSE PROGRESS

MANPOWER

United States Army, Sept. 11.....	1,587,190
Navy and Marine Corps, Sept. 1.....	352,678
Nonagricultural workers, July.....	39,241,000
Percent increase since June 1940.....	10.8
Sixteen defense industries, July.....	2,544,000
Percent increase since June 1940.....	53.8

FINANCIAL PROGRAM

June 1940-September 12, 1941 (Preliminary)

Authorized program.....	\$56,536,000,000
Army.....	24,607,000,000
Navy.....	16,978,000,000
Lend-Lease.....	7,000,000,000
Maritime Commission.....	2,494,000,000
R. F. C. and subsidiaries.....	3,240,000,000
Other agencies.....	2,217,000,000
Foreign orders in U. S.....	3,674,000,000

DISBURSEMENTS

Total, April 1940 to August	
1941.....	\$9,282,000,000
August 1941.....	1,172,000,000
July 1941.....	1,070,000,000
July 1940.....	176,000,000

PRODUCTION

July 1940-August 31, 1941 (Estimated)

Paid on contracts only.....	\$7,272,000,000
Military aircraft in August.....	1,854
Combat vessels in August.....	1
Merchant ships in August.....	8

LABOR DISPUTES

Week ended September 6	Strikes	Workers
Significant defense strikes		
in progress during week.....	5	5,300
Number settled.....	2	1,000

March 27, 1941-September 12, 1941

Cases certified to Mediation Board.....	77
Agreements reached.....	70
Cases not in jurisdiction.....	1
Cases pending Sept. 12.....	6
Strikes postponed.....	3
On strike.....	3

DEFENSE HOUSING

As of September 6, 1941

	Units
Housing units allocated.....	126,390
Contracts awarded.....	95,936
Completed for use.....	40,436

*Preliminary estimate.

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The bottleneck is broken 4

PRODUCTION

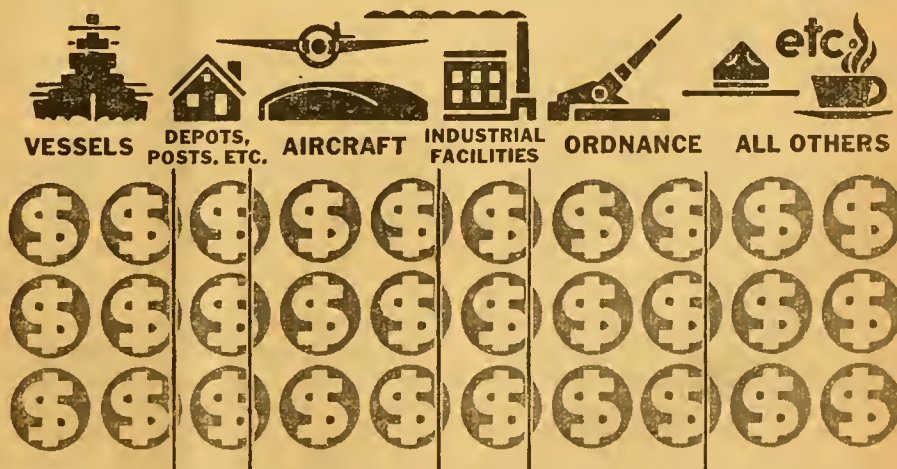
A shopping list for all to see 8

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DOLLARS FOR DEFENSE

JUNE 1940 THROUGH AUG. 1941



Each disc = 2 billion dollars of Appropriations, Contract Authorizations, and R. F. C. Commitments.

Review of the Week in Defense

Less than 2 weeks old, the Supply Priorities and Allocations Board on September 10 ordered the long-range planning, under its unified authority, of all military, civilian, and lend-lease needs. To Donald Nelson, executive director of the Board, was delegated the task of organizing the detailed lists of requirements, to be broken down into schedules of men, machines and materials necessary to produce the lot.

On the same day, SPAB laid down a line between civilian and vital defense manufacture. In temporarily denying steel-consuming expansion for a plant to make plastics, the Board indicated that more productive capacity for purely civilian demand cannot be undertaken now at the expense of materials critically needed in the armament effort.

Priorities jam broken

Over his second week-end as Director of Priorities (September 6 and 7) Mr. Nelson moved in with a corps of correspondence experts and broke a long-standing log jam. After his staff had answered thousands of letters, and cleared thousands of pending applications by stamping them with preference ratings, he announced that all ordinary pleas and inquiries in the future would be handled within 48 hours.

In subsequent action, the Priorities Director established the stamp method of rating as valid for future use, and took advantage of authority granted by Congress to make all preferences mandatory.

Help for industrial repairs

The Priorities Division also announced a streamlined plan to grant priority assistance for repairs in 20 classes of essential industries; took action to keep airlines operating efficiently; simplified the administration of the motortruck order of August 30; gave aid to makers of welding equipment; extended the regulation of cotton linters until July 31, 1942; and released, under certain conditions, raw silk unbaled by August 2.

Director General Knudsen announced the assignment of 28 industrial branches among four divisions of the Office of Production Management.

Field offices get shopping list

Continuing the effort to spread defense work to all possible factories, OPM gave field offices in 39 cities a "shopping list" to inform prospective contractors and subcontractors of items wanted by the Army Ordnance Department.

The search for materials was broadened when OPM asked major users of alloy steels to report their methods of segregating scrap to avoid loss of vital alloying elements. OPM also extended the campaign for immediate junking of derelict automobiles into six more States, and, in conjunction with the Office of Price Administration, opened in five additional cities, the drive to conserve waste paper needed to make containers for defense products.

Top price on hard coal

OPA set a top price on hard coal at the mine, announced a ceiling reducing prices on upper grades of Douglas fir lumber, revised and clarified its price schedule for nickel-bearing scrap, and issued a new schedule for hides to prevent the selling of low grades at the top figure.

The Division of Civilian Supply obtained the cooperation of the distillers' advisory committee to conserve materials, and arranged with the wood case lead pencil industry a voluntary program to save 350,000 pounds of brass in tips and clips.

In view of charges that lend-lease steel was being exported in competition with American products, the iron and steel defense industry advisory committee examined a confidential memorandum of the British purchasing commission and announced satisfaction that the steel is being used in a fair, effective, and proper manner.

Combating labor dislocations

Associate Director General Hillman informed Great Lakes shipbuilding companies and unions that the basic pay rate for that zone, completing shipyard

labor stabilization for the Nation, is now in effect. The Labor Division held labor-management conferences in Kenosha, Wis., and Paterson, N. J., for the relief of "priority" employment. Governor Edison of New Jersey issued a proclamation calling on all State, company, and union officials to cooperate with OPM in the effort.

The National Defense Mediation Board, in the week ended September 13, obtained agreements in two labor disputes, received certification of one new case, and opened hearings on the issues between the Alabama coal operators and the United Mine Workers.

"Extra 15 minutes a day"

In a radio address scheduled for Monday night, Director General Knudsen urged that every American give at least an extra 15 minutes a day to his job.

Transportation Commissioner Ralph Budd notified the Nation's shippers and receivers that the railroads apparently will be 200,000 cars short of their goal for the approaching peak season, and asked heavier loading and quicker unloading to compensate.

Defense Housing Coordinator Charles F. Palmer announced that 1,378 defense homes were completed in the week ended September 6.

Meanwhile, the stars looked down on darkened mountains and mesas as the New Mexico Council of Defense conducted the Nation's first State-wide test blackout.

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AUTOMOTIVE MEETING

Members of the automotive defense industry advisory committee were scheduled to meet with representatives of the Office of Production Management and other interested Government agencies, September 15, to discuss passenger-car production quotas for December.

At a similar meeting August 21, the industry was advised that passenger-car production would be curtailed 26½ percent during August, September, October, and November, and progressively more in subsequent months. It was announced at that time that the quota for an additional month would be announced on the fifteenth of each month thereafter.

DEFENSE

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SPAB orders detailed advance compilation of all U. S. military and civilian needs to schedule men, machines, and material

Detailed planning of America's defense program on a basis of accurate, coordinated knowledge of all of the Nation's requirements, both military and civilian, was launched September 10 by the Supply Priorities and Allocations Board.

In a move which struck directly at the allied problems of shortages of essential materials and expansion of productive facilities, SPAB ordered compilation of full schedules of both military and civilian requirements as far in advance as possible.

Nelson to have charge

It instructed Donald M. Nelson, executive director, to compile and organize those schedules.

The compiling of the Nation's requirement schedules will call for action on two levels:

1. A detailed outlining of both civilian

and military needs, including procurement schedules for Army, Navy, and Air Force items, and including also such goods as are to go abroad under the Lend-Lease and Defense Aid programs.

2. Both the military production schedules and the statements of civilian requirements are to be broken down into schedules of the raw materials, labor and machinery needed for their production.

Single authority to avert confusion

In calling for this long-range, all-inclusive survey of the Nation's total needs under the defense program, SPAB followed the view that there must be one authority to develop the official requirement figures on both levels, holding that there would be confusion otherwise, because the several parts of the requirement picture must be developed by separate agencies.

Plastics plant's expansion is refused temporarily to save materials for defense

The Supply Priorities and Allocations Board indicated September 10 that expansion of productive capacity to meet purely civilian demand cannot be undertaken at this time if the expansion would require the use of large quantities of material critically needed for defense.

This policy was established by SPAB in the temporary denial of proposal to expand the plant of the Tennessee Eastman Corporation at Kingsport, Tenn., manufacturer of plastics.

Although construction of this plant would have provided plastics said to be capable of replacing 8,000,000 pounds of aluminum, 18,000,000 pounds of chrome nickel-plated steel, 6,000,000 pounds of stainless steel, and 34,000,000 pounds of zinc, the Board held that its immediate construction was not advisable for these reasons—

1. Building of the plant would have required the use of large amounts of various critical materials, including stainless steel, which is inadvisable in view of "an expected early winter increase in

the demand for nickel for armor plate and ordnance items."

2. Hundreds of similar applications are on hand, and no single one can properly be granted until it is known how much of a drain on scarce materials would be involved in granting all of them.

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Program to save brass initiated at pencil meeting

A simplification and conservation program designed to bring about an initial saving of approximately 350,000 pounds of brass a year was initiated on a voluntary basis September 10 at a meeting of the advisory committee of the wood case lead pencil industry with representatives of the Division of Civilian Supply.

Brass, one of the metals most vitally needed in the national defense program, is used in the manufacture of tips and clips for lead pencils.

The advisory committee set up tentative subcommittees on simplification and conservation, manufacturing and public relations.

Lake shipbuilding standards in effect, Hillman announces

Associate Director General Hillman, OPM, in a letter September 11 notified Great Lakes shipbuilding companies and shipbuilding unions that the zone labor standards, including a basic pay rate of \$1.12 an hour for standard skilled mechanics, is effective, retroactive to June 2, 1941.

Hillman's letter said that OPM has been notified of the approval of the standards by both employers and the labor organizations concerned. The Great Lakes Metal Trades Council, AFL, formally ratified the standards and the Industrial Union of Marine and Shipbuilding Workers, CIO, approved the formal announcement of the standards' effectiveness.

The Navy and the Maritime Commission also have approved the Great Lakes standards. Similar standards are effective already in the other three shipbuilding regions of the country.

At least nine sizable private shipyards in the Great Lake area will be affected, according to Government figures which show Navy and commercial shipbuilding under way in yards at Cleveland, (2); Manitowoc, Wis. (2); Superior, Wis.; Bay City, Mich.; Chicago, South Chicago, Ill.; and Sturgeon Bay, Wis.

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Steel preference for containers applies to all industries

The Office of Production Management announced September 11 that the priority rating recently granted to manufacturers of steel shipping containers for the months of September and October makes steel available for the manufacture of containers for all industries which normally buy their containers from the steel shipping container industry.

It has been reported in the trade that the steel could be used only for making containers for the petroleum and chemical industries. OPM officials emphasize, however, that it may also be used to make containers for other industries, such as food processors, paint and varnish manufacturers, etc.

The priority rating granted covers two-thirds of the container industry's normal requirements of sheet steel, based on the average monthly usage during the first half of 1941. While this priority covers only September and October, OPM is completing studies from which a continuing program will be developed.

PRIORITIES . . .

New methods break priorities bottleneck; applications to be handled in 48 hours

Thousands of pieces of mail and thousands of applications for preference ratings which had become bottlenecked during the last several weeks were cleaned up over the week end, completely processed, and were on their way back to industry, it was announced September 8 by Priorities Director Nelson.

New techniques were used to cut through normal procedure, and top members of the Priorities Division's staff worked until the early morning hours several nights to clean up the accumulated paper work.

As a result of this clean-up, Mr. Nelson said, the Division of Priorities is back on nearly normal schedule.

Hereafter it is expected that all ordinary applications or mail inquiries will be handled within 48 hours. This will make it possible for businessmen to get prompt answers to questions without coming to Washington.

"When a businessman files an application or sends us an inquiry," said Mr. Nelson, "he deserves a prompt answer. Even if we cannot give him what he wants, he has a right to know where he stands without undue delay. We think we have broken the bottleneck and that from here on we can handle all routine expeditiously."

Steps to solve the problem

Steps taken to solve the problem included:

1. Thousands of pending applications for preference ratings were processed by means of a special stamp which turned each approved application into a legal preference rating. Instead of having the usual priority certificate made out, which takes considerable time, the application blanks themselves have been officially stamped with preference ratings on their face, carrying the signature of the Director of Priorities, and are being returned to the applicants, who can use them just as they would an ordinary certificate.

2. A crew of experts at handling mail and paper work was borrowed from private industry for special duty. Working with top officials of the Priorities Division, these experts cleaned up thousands of pending letters. The emergency work was carried on in the board room of the Social Security Building and also in the

old police station at 462 Indiana Avenue, where some of the operating sections of the Priorities Division have recently been relocated.

3. A new routing system has been set up so that applications coming into the Social Security Building can be sent without delay to the proper commodity section. Routing slips will be colored—a different color for each day—so that applications close to the 48-hour deadline can be expedited.

Factors contributing to backlog

During the past several weeks a number of factors combined to build up a large backlog of applications for prefer-

ence ratings which it was impossible to process promptly. Lack of space, lack of sufficient personnel, and a marked rise in the number of applications received were all responsible.

In May preference rating applications were being received at the rate of 600 a week. Recently this rate has risen to between 4,000 and 5,000 a week. As a result the number of applications in process has increased.

With insufficient personnel and lack of space, the backlog was growing more rapidly every day.

However, this special plan for granting preference ratings and the new handling system for mail will bring all operations up to date and operations hereafter, said Mr. Nelson, can be kept on schedule. Applications will be handled in the usual way in most cases.

All preference ratings made mandatory; simple method of approval established

A new regulation which makes all preference ratings mandatory was issued September 10 by Priorities Director Nelson.

The new provision is incorporated in Priorities Regulation No. 2, which also—

1. Declares valid all preference rating certificates being issued during the period of transition over the signature of E. R. Stettinius, Jr., former Director of Priorities, and

2. Provides specifically for stamping preference rating on application blanks if this is necessary to avoid delays involved in making out complete preference rating certificates.

Mr. Nelson said that the new legal power to make all ratings mandatory will be of great assistance in effecting strict enforcement of all priority rules and regulations. Increased emphasis is to be put on enforcement of orders and compliance by all those affected.

Reasons for the three moves are as follows:

Mandatory ratings

Under the original legislation for priorities, incorporated in section 2 (a), Public 671 (76th Cong., 3d sess.) mandatory preference ratings were assigned only for Army and Navy contracts.

Preference ratings issued for civilian contracts, for foreign government contracts, and for other United States gov-

ernmental contracts were based upon the voluntary cooperation of the persons concerned.

Because of increasing shortages, additional powers were required to deal with the problem. These powers were granted in the Vinson bill (Public, 89, 77th Cong., 1st sess.) and have now been vested in the Priorities Division.

Under the new powers, all priority actions for defense will be mandatory in nature. This will be of assistance to many producers who, in the past, were sometimes confronted with serious scheduling difficulties as a result of having both mandatory and voluntary ratings on their order books.

Ratings signed by former director

Although Mr. Nelson has succeeded Mr. Stettinius as Director of Priorities, a number of preference rating certificates issued by Mr. Stettinius are still in operation. Also, a large number of certificates signed in blank by Mr. Stettinius, for the use of Army and Navy field officers, are still available and are to be used in the field for the time being.

Because of this, it was necessary to declare specifically that, during the period of transition, the certificates issued over the facsimile signature of Mr. Stettinius are valid and continue to be valid.

The new method of handling applications is described elsewhere on this page.

New motor truck orders simplify administration of August 30 plan

A new program designed to facilitate production of heavy motor trucks, medium trucks, and truck trailers vitally needed for the transportation of heavy industrial and armament materials was issued September 14 by the Priorities Division. The plan also facilitates production of certain passenger carriers and necessary replacement parts.

The new program amends and simplifies administration of the motor truck order originally announced August 30. The new order does not make any major changes in the plan as originally announced but does change the methods set up to enforce and administer the order.

Number and kind specified

Two separate orders are involved in the new program. One of these is Limitation Order L-1-a. This order includes specific instructions as to the number

and kind of trucks and allied products which can be made during the period September 1-November 30. The other order is Limited Preference Rating Order P-54. This order extends a rating of A-3 which can be used to get the material going into the truck production to the extent provided.

The assistance being extended to truck manufacturers is based on indications that 1,189,000 trucks, approximately 200,000 more than the output of the model year ending July 31, will be required during the new model year that began August 1.

Major provisions of the two orders, which now comprise a coordinated program for motor trucks, are as follows:

LIMITATION ORDER L-1-a

1. This order does not restrict in any way production of heavy motor trucks

which are carrying most of the defense truck transportation load.

Medium trucks

2. During the period September 1-November 30, a producer may not manufacture more than one-half the number of medium motor trucks, truck trailers and passenger carriers produced during the first half of the year, except that all trucks ordered for specific defense purposes, as defined in the order, may be produced without limit. This means, in effect, that the producers of these trucks and carriers may produce all trucks needed for defense during the 3-month period and may continue producing civilian trucks at the going rate during the first half year.

Replacement parts

3. Replacement parts for trucks and carriers are limited as follows: A producer shall not manufacture for replacement purposes more than 60 percent of the number of parts sold for replacement purposes during the first half year. This, in effect, permits increased production of replacement parts during the 3-month period.

LIMITED PREFERENCE RATING ORDER P-54

This is a typical blanket rating order. It extends a rating which can be used to obtain material going into heavy motor trucks (3 tons or more), medium motor trucks (1½ tons or more), truck trailers (5 tons or more), passenger carriers (motor or electric coaches with not less than 15 seats) and replacement parts as specifically listed in the order.

The rating extended—A-3—permits producers and their suppliers to obtain necessary materials and parts up to the maximum limitation as set in the limitation order. The rating, of course, cannot be used to obtain materials greater than required for the stipulated production, taking into consideration the producers' inventories of such materials.

Extension of rating

Producers and suppliers will not have to make application for the use of the rating. The order provides that producers and suppliers can extend the rating by signing a special certification on the original and all copies of the purchase orders they place for the materials involved. Reports will be required on the use of the order, however.

Air lines given A-3 rating for upkeep of planes and ground equipment

With commercial air transportation zooming to new high levels, Priorities Director Nelson issued September 12 a limited blanket rating order assuring the continuous operation at a high degree of efficiency of air lines in the United States.

During the first 7 months of 1940, air lines carried 1,427,350 paying passengers. For the same period of this year, the number of such passengers was 1,942,738. This is an increase of more than 36 percent.

Air express carried during these periods jumped from 6,281,209 pounds in 1940 to 9,665,064 pounds in 1941, an increase of nearly 54 percent.

On June 30, 1940, there were 322 airline planes on regular flights within the continental boundaries of the United States. On June 30 of this year, there were 365 planes engaged in these operations.

Amounts to be defined strictly

The order assigns the high defense rating of A-3 to deliveries of all materials of any nature which enter into the upkeep of planes and ground equipment. An air carrier or a supplier of maintenance equipment and repair parts

wishing to secure the assistance of the plan should apply to the Priorities Division on Form PD-96. Each assignment of the rating will cover a 3 months' period, and the amounts and kinds of material so covered will be based on information furnished in the application.

Provision is made in the order for the immediate termination of the assignment of the rating if it is applied by an air carrier to deliveries in excess of the amounts specifically prescribed by the Priorities Division.

Rating applies only if necessary

A supplier may apply the rating only if the materials to be delivered cannot be secured without it. He is prohibited from using the rating to secure deliveries in greater quantities or on earlier dates than are required for delivery on schedule of the rated material, or to obtain material which will not be used by his customer for the maintenance and repair of its aircraft and equipment.

The order may be extended by an air carrier by executing a copy and furnishing it to his supplier. A supplier may follow the same procedure where necessary to secure deliveries from a sub-supplier.

20 essential classes of industry to get repair aid by new simple plan

A new and streamlined plan to grant priority assistance for repair work in certain essential industries was announced September 9 by Priorities Director Nelson. It represents an effort to keep American defense industries running at full speed, and to prevent any break in the increasing tempo of defense production.

The new plan takes the place of the Maintenance and Repair Order which was announced August 8, but which was never actually issued because of administrative difficulties in handling the paper work it would have involved.

The new plan, which becomes available immediately, is set up along simple lines. It provides machinery under which priority status for repair work in twenty industrial classifications can be obtained, so that firms and agencies in these classifications may obtain repair parts promptly.

For repairs and "emergency inventory"

The revised scheme permits qualified producers or suppliers to apply a preference rating of A-10 to deliveries of required repair parts by endorsing a special statement on purchase orders, certifying that the material being ordered is for repair work under the terms of the order, P-22.

The order can be used also to get deliveries for "emergency inventory."

Repairs are defined in the order as repairs needed because of an actual or imminent break-down. Emergency inventory is defined in the order as the minimum inventory of material required to provide for repairs to meet an actual or imminent break-down.

The present order is designed primarily to protect industry against sudden break-downs and is regarded as an interim measure. The entire inventory problem is to be studied further with a view to providing broader priority assistance. It is felt, however, that the present plan will keep the essential industries covered running on their normal basis and will prevent serious interruption to defense production by giving producers a simple method for obtaining vital repair parts.

More may be added

Other classifications may be added from time to time, and special orders may be worked out to meet problems in certain industries. The classes in the present order are as follows:

1. The following Federal, State, county, and municipal services: Fire and police services; Highway maintenance.

2. Carriers:

(a) Urban, suburban, interurban, and intercity common, contract, and private carriers of passengers or freight by electric railway, electric coach, motortruck, or bus, including terminals.

(b) Railroads, including terminals.

(c) Shipping—commercial carriers of freight and passengers by ocean, lake, river, or canal, including terminals.

3. Chemicals—plants engaged in producing chemicals by chemical processing of raw materials.

4. Coke converting.

5. Educational institutions (including vocational training).

6. Explosives—plants engaged in manufacturing explosives.

7. Farm machinery and equipment—plants engaged in manufacturing farm machinery and equipment.

8. Food processing or storing—plants engaged in any of the following: milling, refining, preserving, refrigerating, wholesaling, or storing of food for human consumption or livestock feed.

9. Highway maintenance and equipment—Plants engaged in the production of equipment used in highway maintenance.

10. Hospitals, clinics, and sanatoriums.

11. Lumber—plants engaged in the production of lumber (including planing, drying, storing, and treating of lumber), cooperage, plywood, and millwork.

12. Metallurgy—Plants engaged in the production of metals and alloys.

13. Mines and quarries (including ore dressing or processing plants and smelting facilities).

14. Newspapers—Plants engaged in the publication of newspapers.

15. Petroleum production, refining, and transportation—Plants and equipment used in petroleum production, refining and transportation.

16. Radio—Commercial broadcasting and communication (not including home receiving sets).

17. Research laboratories—Industrial and academic.

18. Rubber and rubber products—Plants engaged in the production of rubber and rubber products including reclaimed and synthetic rubber.

19. Shipyards and Ship Repair Yards engaged in building and repairing ships

(excluding yards devoted principally to pleasure craft).

20. Telephone and telegraph communication.

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Amendment will classify "Grade B" pig tin

An amendment classifying as "grade B," pig tin which assays 99.80 percent pure, but contains impurities exceeding the tolerances permitted for grade A tin, will be made to Price Schedule No. 17, the Office of Price Administration announced September 13.

Until this amendment is issued, members of the trade are requested by OPA not to exceed the grade B price for the type in question. The ceiling price for grade A tin is 52 cents a pound, while grade B sells at a discount of three-eighths of a cent.

The definition of grade A tin in the price schedule is "99.80 percent or higher percentage of purity, meeting the specifications set forth in 'Specifications and Proposals for Supplies, No. S-14', issued December 15, 1939, by the U. S. Treasury Department, Procurement Division . . ."

The Procurement Division specifications set forth the percentages of lead, arsenic and other impurities allowed in grade A tin.

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Members of hosiery defense industry committee announced

Formation of a Defense Industry Advisory Committee for the Hosiery Industry was announced September 15 by the OPM Bureau of Clearance of Defense Industry Advisory Committees:

Members of the committee are:

Andrew J. Doyle, secretary and treasurer, Contour Hosiery Mills, Inc., Rockford, Ill.; F. W. Fisher, president, Fisher Hosiery Co., Reading, Pa.; Hugo Hemmerich, general manager, Berkshire Knitting Mills, Reading, Pa.; Leon Herbert, Herbert Hosiery Mills, Norris, Pa.; Irving K. Hessberg, president, Van Raalte Co., New York City; Robert Huffman, Morganton Full Fashioned Hosiery, Morganton, N. C.; J. J. Kronenberg, president, Wayne Knitting Mills, Fort Wayne, Ind.; J. E. Mills, president, Adams-Mills Corporation, High Point, N. C.; W. W. Neal, president, Marion Hosiery Mills, Marion, N. C.; and A. Paul, vice president, Dextdale Hosiery Mills, Lansdale, Pa.

Welding equipment makers given priority aid

Manufacturers of arc welding and resistance welding equipment are given the assistance, in securing certain listed materials, of an A-1-c preference rating, in an order signed September 13 by Priorities Director Nelson.

The high defense rating assigned is applicable only to materials entering into the production of equipment to fill a defense order.

May be extended

The preference rating may be used by the manufacturer, and if necessary, by his supplier, by execution of additional copies of the order. The supplier, however, may only obtain materials on the list which are to be physically incorporated in the arc welding or resistance welding equipment.

The materials to the acquisition of which the A-1-c rating may be applied are:

1. Forgings and castings, ferrous and nonferrous.
2. Sheets, bars, rods, plates, and wire, ferrous and nonferrous.
3. Insulation materials.
4. Motors and other electrical accessories.
5. Gasoline and diesel engines and accessories.
6. Machine parts and accessories.
7. Brass, copper, and steel tubing and fittings.
8. Maintenance and shop supplies—this item applies to a producer's requirements only and is restricted to materials necessary for proper operation and maintenance of a producer's manufacturing equipment and facilities.

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Cotton linters order extended to July 31, 1942

Priorities Director Nelson announced September 11 an amendment to General Preference Order, M-12, regulating the processing and distribution of cotton linters.

The amendment extends the order until July 31, 1942. The original expiration date had been set as December 31, 1941.

The purpose of the extension is to have the expiration date coincide with the end of the cotton linter seasonal year.

Silk bales broken by August 2 released, under certain conditions, for processing

The Office of Production Management announced September 9 that raw silk, held under the silk-freezing order, which was opened and taken out of the original bales prior to midnight of August 2, 1941, will be released under certain conditions for immediate processing by the owner.

Conditions laid down

Donald M. Nelson, Director of Priorities, said that he had agreed to release this silk held in open stock, provided the following plan is adhered to:

1. The owner of the silk must file a request for a release with Frank Walton, chief of the textile branch, OPM, Social Security Building, Fourth and C Streets NW., Washington.

2. This request in effect must read as follows:

"We hereby request the release from Priority Order M-22 of ---- pounds of raw silk which we own and which is held in our plant opened and awaiting shipment. We certify that this raw silk was taken out of the original bales prior to August 2, 1941, and has already been reported to OPM on Form PD No. 78 under the heading 'Broken bales' as being held subject to its order. Further we

certify this quantity is not in excess of our average normal quantity which we open and get ready for processing at one time."

3. After such application is checked and approved by the textile branch, the Director of Priorities will issue release.

Repacking for defense difficult

Mr. Walton said that this step is being taken at this time for these reasons: (a) Some additional silk which was en route has arrived, to offset the opened silk which is to be released; (b) it is desirable to release this silk to help employment in those plants holding the opened silk; (c) it is difficult to repack the silk into bales and be certain of its desirability for defense uses.

Mr. Walton added that no release is to be made of raw silk held in the original bales except for sale to the Defense Supplies Corporation, or on defense orders. However, some raw silk in low grades or special grades is under consideration as to its suitability for defense requirements, and the owners will be advised shortly. A committee of experts will be called in to decide on the desirability of some small special lots, and unless the silk can be used for defense it will be released.

Weekly short-wave schedules mailed to American republics

The Office of the Coordinator of Inter-American Affairs has begun weekly mailings of United States short-wave radio program schedules to the other American republics, it was announced September 13 by the Coordinator's Office.

Forty thousand programs for the week of October 12 were distributed in the first mailing which went out last week. The programs are printed in three languages, Spanish, Portuguese, and English.

Detailed information on programs

Distribution of these schedules is designed to supply detailed information on all short-wave programs broadcast from this country which can be heard in the other American republics. Each program on the schedules is listed by title, the hour at which it may be heard, and the wave length of the broadcasting station.

Only programs broadcast in Spanish are listed in the Spanish language schedules, and similarly, Portuguese programs are listed in the Portuguese schedules, and English in the English schedules. Further to facilitate the location of programs, the Spanish schedules are published in four separate issues, each showing the time in effect in the area in which it is distributed.

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PRIORITIES CONFERENCE TRANSCRIPTS AVAILABLE

In response to requests of those present at the conference of the Priorities Division and representatives of trade magazines and newspapers, a transcript of the talks and question-and-answer sessions has been prepared.

The Priorities Division will be glad to furnish copies of this transcript to anyone wishing them.

PRODUCTION . . .

Industrial branches divided among four OPM divisions

Director General Knudsen, OPM, announced September 10 the assignment of 28 Industrial Branches among the Divisions of Production, Purchases, Civilian Supply, and Materials.

These branches correspond to the old commodity sections as the operating units under which the various industry committees function.

On August 28 President Roosevelt issued an Executive order placing the Civilian Supply Division in OPM. Following that, OPM has rearranged its industrial branches to handle the various problems of industry in accordance with that change.

The new line-up of branches under the four Divisions follows:

Division of Production.—W. H. Harrison, director. (These branches will assume primary responsibility for dealing with problems in connection with the manufacture of implements of war and defense construction projects.)

Aircraft Branch; Ordnance Branch; Tools Branch; Shipbuilding Branch; Construction Branch.

Division of Purchases.—Douglas C. MacKeachie, director. (These branches will assume primary responsibility for dealing with industries in which defense procurement of finished products is a major problem.)

Food Supply Branch; Textiles, Clothing and Equipage Branch; Health Supplies and Civilian Defense Equipment Branch; Containers Branch.

Division of Civilian Supply.—Leon Henderson, director. (These branches will assume primary responsibility for dealing with those industries serving predominantly civilian needs.)

Pulp and Paper Branch; Printing and Publishing Branch; Lumber and Building Materials Branch; Plumbing and Heating Branch; Automotive and Transportation Equipment Branch; Electrical Products and Consumers Durable Goods

Branch; Industrial Machinery Branch; Rubber and Rubber Products Branch.

Division of Materials.—W. L. Batt, director. (These branches will assume primary responsibility for dealing with the manufacture and importation of industrial and raw materials and industrial services essential to defense.)

Aluminum and Magnesium Branch; Chemical Branch; Iron and Steel Branch; Power Branch; Nickel Branch; Tungsten Branch; Copper and Zinc Branch; Manganese and Chromium Branch; Tin and Lead Branch; Mica and Graphite Branch; Miscellaneous Minerals Branch.

No industrial branches are contemplated for the Division of Priorities, the Division of Labor, or the newly created Division of Contract Distribution.

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Auto junking drive to reach six more States, D. C. this week

A campaign to increase the junking of worn-out automobiles and thus provide additional scrap iron and steel needed urgently for defense production will be extended this week to Pennsylvania, New York, Maryland, Delaware, New Jersey, and the District of Columbia, the Office of Production Management announced September 11.

At meetings in Harrisburg, Pa.; Albany, and Baltimore, Government officials will appeal to automobile wreckers and scrap dealers to strip derelict cars now in their yards of saleable parts and scrap the bodies and engine blocks immediately.

Government officials attending the forthcoming meetings will include R. H. Ridgway, assistant to R. C. Allen, deputy chief of the Iron and Steel Branch of OPM in charge of raw materials; Maj. E. T. Butler of the Army and Navy Munitions board, and Alex Miller, Scrap Consultant of the Iron and Steel Branch of OPM.

The schedule of meetings follows:

Harrisburg—Hotel Penn, 1: 30 p. m., September 17, with automobile wreckers and scrap dealers from Pennsylvania.

Albany—Hotel Dewitt Clinton, 1: 30 p. m., September 18, with automobile wreckers and scrap dealers from New York State.

Baltimore—Hotel Lord Baltimore, 1: 30 p. m., September 19, with automobile wreckers and scrap dealers from Maryland, Delaware, New Jersey, and the District of Columbia.

OPM sends ordnance "shopping list" to 39 field offices to aid contractors

A "shopping list" of items that the Army Ordnance Department wants to buy has been sent to OPM field offices in 39 cities for information of prospective contractors and subcontractors, it was announced last week.

This information as to material wanted under the Ordnance Department's new \$2,888,980,486 program will be made available at the field offices to responsible manufacturers, in line with President Roosevelt's policy of helping smaller business units of the country obtain a fair share of defense orders. The list includes shells, bombs, gun carriages, guns, gun mounts, fire control equipment, pistols, rifles, and power trains—consisting of transmissions, controlled differentials and final drive units—for tanks.

Detailed information included

Detailed information of value to prospective producers is included concerning each item.

OPM field offices, where the "shopping list" of ordnance items will be available

to responsible plant owners, are located in Federal Reserve banks and branch banks in the following cities:

Atlanta, Baltimore, Birmingham, Boston, Chicago, Cleveland Dallas, Denver, Detroit, El Paso, Tex.; Helena, Mont.; Houston, Tex.; Kansas City, Mo.; Little Rock, Los Angeles; Louisville, Ky.; Memphis, Tenn.; Nashville, Tenn.; New Orleans, New York City, Oklahoma City, Omaha, Philadelphia, Pittsburgh; Portland, Oreg.; Richmond, Va.; Salt Lake City, San Antonio, San Francisco, and St. Louis.

Other OPM field offices, where the list also will be available, are as follows:

Buffalo—Traders Bank Building, Room 212, Main and Swan Streets; **Charlotte, N. C.**—New Liberty Life Building; **Cincinnati**—Union Trust Building, Room 804; **Des Moines, Iowa**—505 Crocker Building; **Jacksonville, Fla.**—504 Hildebrandt Building; **Milwaukee**—1124 First Wisconsin National Bank Building; **Minneapolis**—240 Rand Tower Building; **Newark**—176 Sussex Avenue; **Seattle**—National Bank of Commerce Building.

Waste paper collection offices opened in five more cities

Local offices for direction of the national waste-paper conservation campaign were opened last week in five more cities other than New York, Chicago, and Milwaukee where it already is under way.

The campaign opened in Philadelphia and Minneapolis-St. Paul September 9, in Baltimore September 10, in Washington and Indianapolis September 11.

In each city an organization has been set up to take calls and arrange for collection of waste paper in lots of 100 pounds or more. Other waste material, such as scrap metals, rubber, and rags, also will be collected by scrap dealers if available in households and business establishments.

Waste paper is needed for national defense because it is the chief raw material in the manufacture of paperboard boxes in which defense articles are packed and transported.

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Committee satisfied with use of Lend-Lease steel by British

In view of charges made from time to time that steel sent to Great Britain under the Lend-Lease Program had been reexported in competition with American products, the Iron and Steel Defense Industry Advisory Committee on September 11 issued the following statement:

This committee has examined with great interest a confidential memorandum supplied by the British Purchasing Commission regarding the use being made in the British Empire of steel obtained from the United States under the Lend-Lease Program.

The committee is satisfied from this report that the Lend-Lease steel is being used in a fair, effective and proper manner.

Total steel requirements of the British under the Lend-Lease Program appear to the committee to be entirely reasonable.

The committee was gratified to learn that original British requisitions for iron and steel scrap have been reduced, in view of the shortage of scrap for the operation of American steel plants, and that negotiations are now in progress to increase the proportion of finished products in the steel shipments to Britain.

Manufacturers queried on sorting of scrap to avoid loss of vital alloying elements

R. C. Allen, deputy chief, Iron and Steel Branch, in charge of raw materials, sent out questionnaires September 11 to fabricators and manufacturers estimated to be using approximately 96 percent of the current production of alloy steels, including the stainless steels.

Information is requested on the extent to which alloy steel scrap, including stainless steel scrap, is segregated, by types and grades, from simple carbon steel scrap; the tonnage of each type of scrap produced during August 1941; the facilities available for shearing, crushing, baling, washing, briquetting or otherwise preparing the scrap; and the names of the steel producers or scrap dealers to whom the scrap is disposed.

The questionnaires have been addressed to purchasing agents, with the request that they, in turn, bring them to the attention of the proper plant officials. In cases of companies operating more than one plant, separate returns are requested for each plant and, in these cases, questionnaires have been sent to each such plant known to be a substantial user of alloy steels.

Indicated demand exceeds supply

In a letter accompanying the questionnaire, Mr. Allen points out that the indicated demand for such alloying elements as nickel, chromium, molybdenum, etc., exceeds the current supply and that, while facilities for the production of these alloying elements are being expanded, all possible sources of supply must be explored and developed.

In many manufacturing plants from 20 percent to 40 percent of the alloy steel or alloy iron delivered by the producer or vendor is lost as scraping during conversion, and in the production of some products the amount of scrap may run 70 percent to 80 percent.

Much is permanently lost

The alloy content of such scrap is to a large extent reclaimable, but at the present time a large part of this alloy content is being permanently lost because it is mixed with other steel or metal scrap. This is particularly true in the case of machine turnings or chips, flashings or chips, flashing from forgings, etc. Alloy losses in the case of bar ends, punchings, rejects and similar heavy melting scrap, while smaller, are still relatively high.

The vast amount of alloy scrap pro-

duced daily by the industrial plants of this country should, if properly segregated and identified, and returned in usable form, free from contamination, to the alloy steel producers, yield a large tonnage of these vital alloying elements.

Segregation may mean profit

In addition to making a valuable contribution to the defense program, it is felt most plants will find that the premium price obtainable for alloy content will result in definite operating economies.

Many large manufacturers who, because of the nature and volume of materials handled have for some time been operating highly organized salvage departments, have found these methods definitely profitable. Small manufacturers should experience little difficulty segregating and identifying heavy grades of alloy scrap such as rejects, punchings, and bar ends. Some problems may arise, however, in working out economical ways of segregating and storing light scrap such as borings, turnings, and chips.

However, even small plants usually keep nonferrous metals such as brass and aluminum separate from iron and steel and it should be possible to educate the machine tool operators to carry this a step further and segregate alloy steel scrap from that of simple carbon steels, and knowing the composition of the parts they are working on, segregate the alloy steel scrap by types and grades.

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Knudsen speaks on first of 13-week OEM radio series

The Office for Emergency Management announced September 14 that the Firestone Rubber Co. has donated 7 minutes of its half-hour "Voice of Firestone" radio program for 13 weeks for presentation of an OEM "Defense Report."

The "Voice of Firestone" is a regular Monday feature of the Red Network of the National Broadcasting System, and is heard from 7:30 to 8 P. M., E. S. T.

First OEM program, September 15, was to be an interview with Director General Knudsen, OPM. Other prominent defense officials will be interviewed from week to week, and some original dramatizations are scheduled. (Excerpts from Mr. Knudsen's address appear on page 24.)

MEDIATION BOARD . . .

Hearings opened in Alabama coal operators' dispute with United Mine Workers

The National Defense Mediation Board last week (September 8-14) announced agreements in two cases; received certification of one new case, and opened hearings in the dispute between the Alabama coal operators and the United Mine Workers of America.

Alabama coal operators

Hearings opened Wednesday, September 10, on the dispute between the Operators Negotiating Committee representing bituminous coal operators in Alabama and the United Mine Workers of America, CIO. Main issues in the dispute are: elimination of the washer loss clause, under which deductions are made (averaging 12 percent throughout the State) from the miners' pay for all coal lost through washing; a wage increase of 40 cents per hour in day rates and corresponding increases in other rates to bring increases in Alabama up to the level of those granted in the Southern Appalachian field; vacations with pay—a vacation payment of \$20 a man this year, as was granted in the Appalachian field.

The following minor issues were under discussion: safety practice, seniority, "pay day" provision, medical and hospital care, physical examination, house rent, tonnage and conveyor rate adjustments, 50 percent increase in permissible check-off, payment to loaders of rock at the same rate as conveyor loaders; provisions in respect to check weighmen, holiday for funerals, improvement of provisions for fines, and a provision prohibiting supervisory employees from working. In addition, the union is asking for a union shop from the three captive mine operators in Alabama who have not yet granted it: Tennessee Coal, Iron & Railroad Co., a subsidiary of United States Steel; Republic Steel Corporation, and the Woodward Iron Co. A union shop is in effect in all the commercial mines in Alabama.

The Board took jurisdiction over the case under the soft coal certification of last April and the same panel is sitting on the dispute—William H. Davis, representing the public, Walter Teagle, representing employers, and Clinton Golden,

representing employees. After the second day, Hugh Lyons replaced Mr. Golden. A strike that began on September 3 was called off at the request of the Board and the men returned to work pending the Board's consideration of the matter.

A delegation of 31 men appeared for the initial hearing on September 10 and meetings have been held every day since then. They adjourned Saturday until Wednesday, with the understanding that the parties would be able to resolve many of the issues by direct negotiation Monday and Tuesday.

Pacific States Cast Iron Pipe Co.

The dispute between the Pacific States Cast Iron Pipe Co., Provo, Utah, and the Steel Workers Organizing Committee, Local 1654, CIO, came before the Board on Monday, September 8. The panel hearing the case, Walter T. Fisher for the public, George Mead for employers, and Hugh Lyons for labor, announced after 3 days of hearings that an agreement had been reached and signed by both company and union. The agreement covered all points except wages and the Board will appoint a special representative to investigate this question. A strike of 438 men since July 15 was called off at the request of the Board and production was resumed on August 19, the day after the case had been certified. The company makes cast iron pipe being used on defense projects.

Pullman Standard Car Manufacturing Co.

On September 10, after 3 days of hearings, an agreement was announced in the dispute involving the Pullman Standard Car Manufacturing Co. of Michigan City, Ind., and the Brotherhood of Railway Carmen, AFL. The company, which employs 1,800 men at this plant, makes railroad cars. The men went out on strike August 17 over demands for seniority rights, an arbitration clause in the contract, and the union shop. With the help of the panel, composed of Charles Wyzanski for the public, Walter Teagle for employers, and Edward Brown for employees, complete agreement was reached subject to union ratification. The terms of the agree-

ment were not revealed but unanimous ratification by the local membership came on Friday, September 12, and the next day the men returned to work.

New case certified

The new case, certified on September 10 by the Secretary of Labor, involves the American Brake Shoe & Foundry Co. of Mahwah, N. J., and the International Molders and Foundry Workers Union, AFL. A date for the hearing on this case has not yet been set.

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Keenan sent to help solve building dispute at shipyard

OPM Associate Director General Hillman on September 10 took an active hand in settlement of a month-old labor dispute in a large Houston, Tex., shipbuilding yard by sending Joseph D. Keenan, AFL labor relations counselor in the OPM Labor Division, to Houston to initiate mediation hearings between AFL construction unions and the Houston Shipbuilding Corporation.

Keenan, former secretary of the Chicago Federation of Labor, joined with John W. Slacks, assistant to Rear Admiral Emory S. Land, chairman of the Maritime Commission, in hearings designed to resolve the labor-management disagreement.

Certain phases of working conditions, including cost of transportation to the shipyards, form the sole basis of the dispute, Mr. Hillman announced. No issue of wages or hours is involved. Only AFL construction workers are concerned in the mediation and they are blanketed under the recent stabilization agreement between the OPM Labor Division and the AFL Building and Construction Trades Department. It was emphasized that the dispute did not affect shipbuilding but the construction of ways and other yard structures.

Hillman designated Keenan on the recommendation of the newly formed Building Trades Stabilization Board of Review which was set up to adjust disputes arising under the stabilization agreement. At the same time the Board of Review asked that Rear Admiral Land appoint a member of his staff to serve with Keenan.

Keenan left for Houston September 11.

LABOR . . .

New Jersey's Governor calls on all officials to help battle unemployment

Associate Director General Sidney Hillman announced September 13 a new and broad program of State and local cooperation with OPM to alleviate the serious unemployment situation in the silk, automobile, rubber, and other industries in New Jersey.

Gov. Charles Edison by formal proclamation September 13 called on all State officials to collaborate actively with the OPM Labor Division, defense contractors, and other employees, labor leaders, and defense training institutions, in a statement of policy which Mr. Hillman said should prove a national model in the efforts to provide jobs in defense and other plants for displaced workers.

Paterson conference called

Simultaneously, Mr. Hillman called a conference for September 15, in Paterson, N. J., of AFL, CIO, management and Labor Division officials to work out specific details of the retraining, reemployment program for the displaced silk workers.

Fourteen union leaders representing various affected unions, 17 representatives of management from defense and other plants, as well as the textile industry, and 5 Labor Division officials will attend the meeting.

OPM officials believe that the procedure devised in the recent Buffalo plant shut-downs can be followed and expanded in the northern New Jersey situation. This Buffalo plan involves close cooperation of unions with the State employment service to register all workers who are displaced, or about to be displaced, special arrangements for retraining of displaced workers for defense jobs, and a canvass of all nearby defense labor needs, to determine the possibilities of absorbing such displaced workers in their own communities.

Highest possible production

The proclamation by Governor Edison declared it the purpose of his State "to promote and maintain the highest possible level of production and service for the national defense." The proclamation said further:

"To this end I direct all State officials to collaborate with the Regional Labor Supply Committees of the Office of Pro-

duction Management, with defense employers and contractors, with labor leaders, with employers generally, with officials of defense training institutes, and with any and all others who may be helpful in carrying out the policies of the Office of Production Management, in securing the prompt and useful reemployment of all displaced workers according to their scale or, if necessary, retraining, and in speeding up defense production through maximum use of existing plants and equipment adapted or adaptable to such use. This job can and will be done."

In the proclamation Governor Edison also said:

"As Governor, I call upon industry, labor, and appropriate State and govern-

mental agencies to cooperate actively in securing the most expeditious and efficient handling of all actual or threatened interruption of employment due to the shift to defense economy. Only in this way can we conserve and fully utilize our human and material resources in the great cause to which we have dedicated ourselves."

James Rossell, assistant chief, Labor Relations Branch, OPM's Labor Division, will preside over the Paterson conferences. Other officials include William W. Bardsley, acting chairman of the Regional Supply Committee of OPM; E. L. Oliver, chief of the Labor Relations Branch of OPM's Labor Division; James P. Casey, Philadelphia regional representative of the Labor Relations Branch; Thelma McKelvey, assistant chief, Labor Relations Branch; and Russell Eldridge, director of the New Jersey State Employment Service.

Conference called in Kenosha, Wis., to combat auto and silk unemployment

A conference of labor and management with OPM and local officials was called September 10 by Associate Director General Sidney Hillman to meet in Kenosha, Wis., September 15, to discuss the priority unemployment situation resulting from shut-down of a large silk mill and the impending reduction of employment at the Nash-Kelvinator factory there. Two holders of defense contracts in the Kenosha area were also invited to attend.

Plans to provide defense work for displaced Kenosha workers, and to apply the "Buffalo Plan" for registration, retraining and reemployment of the workers in defense jobs, were to be worked out, Mr. Hillman said.

Large mill shut-down

A large silk mill in Kenosha has been shut down as a result of the blocking of all Japanese imports of raw silk, and extensive lay-offs were reported imminent at the Nash-Kelvinator plants.

Mr. Hillman designated Emery Olson, assistant chief of the Labor Supply Branch of OPM's Labor Division, to preside over the conference. Mr. Hillman also announced he was sending R. R. Brooks and Frederick Harbison of the Labor Division Priorities Branch, Eu-

gene Brock, chairman of OPM's regional labor supply committee in Chicago, and Paul Porter, special labor adviser. A representative of the new OPM Division of Contract Distribution headed by Floyd Odum also was to attend.

"Serious problem" noted

Mr. Hillman's telegrams of invitation said a "serious problem of dislocations in the Kenosha area" was impending from curtailment of automobile and hosiery production.

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Bransome resigns from Labor Division post

OPM Associate Director General Hillman announced September 13 that E. D. Bransome had resigned from the Office of Production Management staff to return to his post as president of the Vanadium Corporation and his resignation had been accepted with regret.

Mr. Bransome served for more than a year as head of the industrial advisers panel in the Labor Relations Branch of OPM's Labor Division, aiding in the prevention and settlement of labor disputes.

PRICE ADMINISTRATION . . .

Further anthracite price rise at mine blocked for present by emergency ceiling

Action essential to protect the interests of householders depending upon hard coal for heating was taken September 12 by OPA Administrator Henderson, through issuance of an emergency price schedule blocking the 15-cent per ton increase which producers of Pennsylvania anthracite had proposed to put into effect September 15.

Placing a ceiling on hard coal prices at the mine became necessary when leading producers of anthracite failed to furnish OPA with reports which would permit full analysis of the factors purporting to justify the proposed September 15 increase. Composite figures submitted by eight of the largest producers were neither satisfactory nor adequate. A belated offer of individual data still fell short of the information requested by OPA and necessary for a determination of fair prices.

Prices already have risen

"Rather than allow another 15 cents to be added to the price of the domestic sizes and passed on to householders while the necessity for it is yet to be established, the Office of Price Administration is freezing anthracite prices for the time being," Mr. Henderson stated. "The ceiling prices set forth in the schedule correspond to the levels that were established by the mine operators as of August 15, when a 15-cent increase became effective."

"Anthracite producers will be afforded an opportunity in the immediate future to provide the information OPA has requested and to offer any additional information they desire in support of higher prices. If it can be demonstrated satisfactorily that the current level of prices is inadequate, a revision of the present maximums will be worked out. In the absence of such a showing, however, the public cannot reasonably be called upon to pay still higher prices for this very essential commodity."

Retailers expected to stay in line

"It is to be expected that wholesalers and retailers of hard coal will maintain their present margins so that the ultimate cost of coal to the consuming pub-

lic will not be changed while the ceiling prices are in force.

"I may add that the data so far submitted to this office does not indicate that the freezing of anthracite prices at prevailing levels will act to prevent the industry from carrying out existing wage agreements."

Maximum prices established in the schedule (f. o. b. mine per net ton of 2,000 pounds) are \$6.60 for the principal domestic sizes—broken, egg, stove, and chestnut; \$5.10 for pea coal, \$3.75 for buckwheat No. 1, \$2.90 for rice, and \$2.15 for barley. The latter three sizes are used for commercial and industrial purposes.

Former OPA request unavailing

The text of the schedule outlines the anthracite price situation during the current year to date. The smaller sizes of coal were increased 25 cents a ton on buckwheat No. 1 and 15 cents a ton on rice and barley on May 20, while on June 16 and July 15 advances of 10 cents a ton were made in the prices of the domestic sizes—egg, stove, chestnut, and pea. Soon after, it was announced that domestic size prices were to be raised another 15 cents a ton each on August 15 and September 15. Meetings of the leading operators then were called by Mr. Henderson and, after a study of the data submitted, OPA requested informally that the two proposed increases be withheld temporarily pending receipt of further information. "The industry was unwilling to comply with this request," the schedule states, "and on August 15 the prices of all domestic sizes were raised 15 cents."

Information still invited

After summarizing the steps taken by OPA to obtain adequate information and noting the unwillingness of the largest producers to report along the lines requested, the schedule continues: "It is apparent that the Office of Price Administration must have further information to determine the necessity for the proposed September 15 increase . . . If an appropriate showing is made, this price schedule will be amended or revoked."

The domestic supply of anthracite is

mined in Eastern Pennsylvania. Production for the current year is estimated in excess of 55,000,000 tons. Of this total about 66 percent is used by householders, much of it by low-income consumers. The remainder is consumed in the furnaces of apartment houses, office buildings, hotels and other commercial establishments and by industry at large.

Well over 90 percent of the production of anthracite is burned in the New England and Middle Atlantic States: Maine, New Hampshire, Vermont, Rhode Island, Connecticut, Massachusetts, New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia; and in the District of Columbia.

65 large operators

There are about 65 operators who produce more than 100,000 tons a year each. All of these received OPA questionnaires in that agency's survey to attempt to collect the data required for analysis in connection with the proposed price increases.

Wholesale and retail prices for anthracite are always substantially above the mine prices, reflecting freight charges from mines to dealers' yards and the dealers' margin of mark-up to cover costs of distribution, etc. In general, freight charges and retailers' margins account for from 40 to 50 percent of the retail price, although this ratio changes in relation to the distance of the markets from the mines.

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Maury Maverick to study insular problems for OPA

OPA Administrator Henderson announced September 12 appointment of Maury Maverick, of San Antonio, Tex., as a special assistant to study problems of OPA in connection with United States insular possessions.

Mr. Maverick, Mr. Henderson said, will review all phases of OPA's program as it relates to the Philippine Islands, Hawaii, Puerto Rico, and the Virgin Islands.

Mr. Maverick, who was educated at the Virginia Military Institute and the University of Texas, is a lawyer and a World War veteran. He served two terms, from 1935 to 1939, in the House of Representatives as a representative of the 20th Texas Congressional district, and was mayor of San Antonio from 1939 to 1941.

Top prices on all types of Douglas fir lumber to be effective October 1

Prices of the upper grades of Douglas fir lumber, one of the most important of all primary construction materials and the chief competitor of Southern pine in eastern and middle western markets, are reduced an average of \$10 per 1,000 board feet in Price Schedule No. 26 announced September 11 by OPA Administrator Henderson.

The schedule, which will become effective on October 1, covers all types of Douglas fir. However, maximum prices set for the common grades—boards, "dimension," and timbers—do not differ greatly from quotations that have prevailed in lumber markets for some time past. Common grade prices, while above the levels of a year ago, have not risen unreasonably, although it is felt that they should not be allowed to go higher.

Should save \$5,000,000 in year

On an over-all basis, Mr. Henderson estimated, the prices established in the Douglas fir lumber schedule should save the defense program and civilian users approximately \$5,000,000 over the next 12 months.

In arriving at ceiling prices for Douglas fir, Mr. Henderson said, full consideration has been given to the importance of maintaining the relative competitive standing of Douglas fir and Southern pine lumber, the latter having been brought under a price ceiling as of September 5.

Announcement of maximum prices on Douglas fir comes exactly one year after Mr. Henderson, as head of the Price Stabilization Division of the National Defense Advisory Commission, issued his first warning that lumber prices were unreasonably high. Other warnings followed. On August 1 of the current year, ceiling prices were established for Douglas fir plywood and peeler logs and soon thereafter for Southern pine lumber.

All phases of industry studied

Preliminary to setting top prices for Douglas fir lumber, OPA undertook an exhaustive study of all phases of the industry. Over two-thirds of the productive capacity and members of all branches of the industry were represented at a meeting held August 20 in Portland, Ore. At this meeting a representative committee, including wholesalers, sat with OPA officials and worked out differentials. It was the consensus

of the meeting that members of the industry would render full cooperation in maintaining ceiling prices.

Demand exceeds production

"As the defense effort has progressed, the demand for Douglas fir lumber has increased to a point where incoming orders are in excess of production," Mr. Henderson said. "Reflecting this pressure, prices of the upper grades and specialties, such as ship decking, flooring, and boxcar materials, have reached exorbitant levels and in the absence of ceiling action would have risen still further.

"This situation cannot fail to disturb the price structure of the common grades and, in turn, the general level of all lumber prices. Moreover, to impose maximum prices on Southern pine and leave Douglas fir prices unrestricted would disrupt the lumber markets very seriously."

Comparison with market quotations

Comparison of the top prices established in the schedule with recent market quotations on three of the more important grades of "uppers" follows (per M bd. ft., f. o. b. mill):

Grade:	Ceiling	Recent Prices
Grade B and better flooring, vertical grain-----	\$60	\$75 and up.
Grade B and better drop siding-----	50	\$58 to \$60.
Grade B and better ceiling (1 x 4)-----	45	\$52 to \$55.

As stated previously, the common grades—boards, "dimensions," and timbers—show little, if any, changes when the ceiling prices are compared with quotations prevailing in recent weeks.

Numerous and varied uses

Douglas fir, also called red fir, yellow fir, Douglas spruce, Oregon pine, and Puget Sound pine, grows in the vast forests of Oregon and Washington extending from the western side of the Cascade Mountains to the Pacific coast. Because of the great size of the trees, timbers can be cut in the larger dimensions required for ship building, bridge building, and heavy construction. In other forms the lumber is widely used in the manufacture of sash, doors, and various kinds of exterior and interior finish, as well as in crates, utility furniture, and household and farm appliances.

Timbers and "dimensions" (2 x 4's,

2 x 6's, etc.) together make up about 70 percent of all lumber produced from Douglas fir trees. Around 16 percent of the output is used in the form of "clears," or "uppers," for ceiling, flooring, drop-siding, railroad freight car siding, ship decking, crossarms on telephone and telegraph poles, and tight cooperage, etc. Shop and industrial uses absorb 10 percent and the remaining 4 percent is accounted for by boards.

Competes with Southern pine

Nearly half of the Douglas fir lumber produced in Oregon and Washington is used on the west coast. The remainder is shipped by rail and water throughout the country. It is this share of the output that competes directly with Southern pine lumber. In the east and middle west, where considerable lumber of the two species is used, Douglas fir timbers and dimensions command a premium over Southern pine, while Southern pine boards sell at a premium over Douglas fir boards.

Schedule adheres to trade practices

The price schedule adheres closely to long-standing trade practices as regards sizes, methods of quoting prices, shipping customs, etc. Attention is called to the fact that maximum prices will not apply prior to October 1 "where actual delivery has been made by the mill to the purchaser or to a 'carrier' for delivery to a purchaser." Under this provision, sales outside the ceiling prices will not be affected by the schedule if the lumber has been placed on shipboard or railroad car or truck prior to October 1 for delivery, even though the shipment has not actually been delivered by that date. This provision recognizes the long hauls involved in shipments of Douglas fir lumber to eastern and middle western markets.

Wholesale and retail expected to fall in line

As is the case with the southern pine schedule, the new maximum prices are f. o. b. mill or concentration yard. It is expected that wholesale and retail prices will fall into line as soon as the new maximums become effective. This will obviate extension of the ceiling to cover wholesale and retail sales of Douglas fir lumber, although Mr. Henderson said his office was prepared to do this should it become necessary.

Certain lumber mills operate retail yards as adjuncts of their mill business. There is nothing in the schedule that is designed to disturb this practice.

New hide schedule sets top of 15½ cents, specifies differentials for inferior grades

Price differentials are established for all grades and classifications of domestic hides in an extensive amendment to Price Schedule No. 9, Hides, Kips, and Calfskins, announced September 13 by OPA Administrator Henderson. The differentials are graded downward from a top price of 15½ cents.

The present amendment continues the average level of prices which has ruled in recent months in the absence of differentials but establishes a spread above and below the former ceiling for different qualities of hides. The amendment does not justify any change in the price of leather or leather products.

Differentials did not develop

In the original schedule, effective June 16, 1941, a ceiling price of 15 cents a pound was fixed for domestic hides. It was hoped that normal differentials would develop for the various grades under market conditions. This did not take place. Recently branded hides, as well as natives, have been selling at the ceiling price and the customary trade practice of selecting and classifying hides and skins before sale has been abandoned by many sellers. Tanners, particularly specialty tanners making industrial leathers, thus have been forced to buy hides in combination lots in order to obtain the types needed for their operations and the distribution of hides has been seriously affected.

"Careful examination of evidence submitted by leather tanners has shown that their costs have been increased appreciably by combination lot buying," Mr. Henderson said. "Studies by my office of all of the factors involved make it plain that the establishment of a system of differentials will help to restore normal trade practices, benefit all users of hides, and relieve the pressure for an increase in leather prices."

Causes no over-all increase

Since the original schedule was issued, 10 of the 12 classifications of packer hides have been selling at the ceiling price of 15 cents a pound. The amendment, however, only applies the new 15½-cent price to the four top grades and establishes differentials of from one-half to 4½ cents a pound for the lower grades. Hence, the over-all effect of the new prices will not be to increase the cost of hides to the tanning industry.

The schedule, as amended, specifically applies the new 15½-cent ceiling price to

No. 1 native steers and cows of packer classifications. No. 2 native steer and cow hides have a top price of 14½ cents. From these levels the maximum prices in the packer classification scale down, according to grade, to lows of 11 cents a pound and 10 cents a pound, respectively, for No. 1 and No. 2 branded bulls.

Packer classification hides which fail to meet present generally accepted standards of selection, trim, tare allowance or delivery, shall be sold at less than the applicable maximum prices, according to the schedule. Hides other than packer classifications sold on an unselected basis are priced somewhat under packer classification levels and a tare allowance of not less than 2 percent is stipulated.

The maximum prices for calf and kip skins are not changed by the amendment, although several additional types, weights and classifications are added, including skins originating in the Pacific Coast area and country skins.

Industry's classifications followed

The term "native" hide applies to one having no brand marks, which render a considerable section of the hide unsuitable for quality use. Branded hides sell at a discount from natives and are largely used for sole leather. Bull hides are of inferior quality to either steer or cow hides and sell for considerably less.

The packer classifications listed in the schedule are those recognized by the industry.

Since packers originate about two-thirds of all hides and follow standard methods of skinning, trimming and selection, their hide output generally commands a better price. Abattoirs and butchers are the other principal sources of hides. Their output sells at a slight discount from packer classifications because of poor take-off and since it is largely marketed on an unselected basis.

Kips are skins weighing more than calfskins, but less than hides. Slunks are skins removed from unborn or newly born calves. The leather from slunkskins is of extremely fine grain and is used in fancy leather goods.

"Tare" affects weight

Because hides of all classes are sold in bundles by weight, the schedule recognizes the trade practice of "tare" allowance, which means a small discount for manure, dirt and salt that cling to the hides.

The terms "Chicago City," "New York Collector" and "country" are grade terms and do not refer to the point of origin of calfskins or kips. "Country" skins, for example, mean to trade skins not removed skillfully or of irregular pattern and trim or showing other pronounced inferiorities.

A clause has been added to the schedule prohibiting both direct and indirect methods of evasion. This provision is directed at such practices as up-grading or the sale of inferior skins at the price of a better quality. According to reports received by OPA, this and other practices have been engaged in by certain members of the trade.

Firm commitments entered into prior to September 13, 1941, the effective date of the amendment, for sales of hides, kips or calfskins at prices not exceeding the old maximums, but higher than any new top price established by the amendment, may be carried out, provided that all deliveries thereunder are completed on or before November 15, 1941.

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Exchange trading in fats, oils futures excepted from schedule

All trading in fats and oils futures on commodity exchanges was definitely excepted from the operation of schedule No. 25 in an amendment issued September 12 by OPA Administrator Henderson.

This action was taken to clear up confusion in the trade over the operation of the schedule. This schedule was designed to eliminate speculative practices involved in the purchase or sale of physical quantities of fats and oils. It was not designed to interfere in any way at the present time with the operation of the futures market. However, Mr. Henderson stated that if the activity in the futures market should reach a point where it creates an artificial influence on prices, action may then become necessary to limit such trading.

Mr. Henderson further stated that the Office of Price Administration and the Commodity Exchange Administration are working closely together in this matter. CEA is widening its scrutiny of market activity in this connection—the first step being to require reports covering smaller transactions than were previously included.

The amendment also excepts futures contracts and purchases or sales by Federal departments and agencies from operation of the 45-day limitation on deliveries under forward sales.

News for Retailers

Buying Wave Slackens

The exceptional August increase in retail sales, widely assigned to a general wave touched off by news of the silk shortage and increase in the national income, slackened in September, though sales figures are still above levels for last year.

Federal Reserve Board figures for department store sales throughout the Nation released last week indicated a 12 percent increase over last year for the week ending September 6.

This represents a substantial decline from the sales figures for the previous week, ending August 30, which were 30 percent above the corresponding week a year ago.

Since sales increased during the last quarter of 1940, the comparison of the figures of 12 percent against 30 percent does not indicate an absolute drop of 18 percent for the week. The figures are comparable to last year, and sales last year began an increase in the final quarter.

However, it has been observed that much of the August buying was of a forward character and this, coupled with the new restrictions on installment credit, would tend to curtail future sales.

Cotton Clothing Prices

It is expected that price advances to retailers in the winter and spring lines of many cotton clothes will be minimized yarn ceilings now being prepared by the Office of Price Administration.

Goods particularly affected will be such items as children's underwear, sleeping garments, knitted cotton goods, work hosiery, children's hosiery, sweaters, and other kinds of knitted cotton outerwear.

Carded cotton manufactures not directly affected by the ceilings are work shirts, print cloths, and cotton dresses, since most of these goods are made in integrated plants spinning their own yarns. The new ceilings will affect carded yarns spun for sale to the knitting trades and industrial users.

In recent months carded yarns have been commanding high prices, some of them on a par with combed yarn. A

3- to 5-cent differential usually prevails on these items in favor of combed yarn, a more durable product employed in fine cotton fabrics.

Since May 26, when ceilings on combed yarns went into effect, voluntary efforts by the carded yarn industry to maintain the customary differentials have broken down, and the cotton industry has been disturbed by the fact that different quality yarns were being sold at the same price.

Retail prices for the most part have not yet reflected this condition, and the new schedule will work to prevent a threatening upward price movement in products made from carded yarn.

Silk Release

OPM textile authorities do not contemplate a significant increase in silk stocking production as a result of their setting up conditions for release of raw silk bales which had been opened prior to the freezing order of August 2.

The opened bales will be available for civilian production as soon as owners of the silk get clearance from the OPM textile branch.

The textile executives point out, however, that this silk is spread throughout the industry and that opened bales are held by weaving mills as well as hosiery plants.

Efforts to spread the amount of civilian silk available through the use of rayon or lisle in the foot and welt of the stocking probably will be continued. Nylon hose similarly knitted has already begun to appear on the market.

Release of the silk is being made primarily to help employment in the mills holding the opened bales. Repacking of the silk might affect its desirability for defense uses.

Unopened bales of silk will continue to be held for sale to the Defense Supplies Corporation or on defense orders, although the OPM textile branch is considering the release of some low grades of silk, if it can be established that such silk is not suitable for defense purposes.

More Aid For Small Business

Added protection for small business in the national defense program is forecast as the result of the creation of a special Small Business Section in the Antitrust

Division of the Department of Justice announced recently.

Appointed to head the section was Guy Holcomb, of Atlanta, Ga., organizer of a chain of small gasoline service stations in Atlanta and a vice president of the National Association of Petroleum Retailers. He was a representative of the retail gasoline industry on the National Defense Advisory Commission.

In explaining for retailers the role that the new section will play in national defense, Mr. Holcomb commented that the defense work of the retailer is indirect, but that upon freely competitive, unsubsidized, and uncontrolled business the working of a democratic economy depends.

The highest efficiency of the country's economic mechanism in this period of emergency won't be achieved if unfair practices are allowed to interfere with the free workings of the competitive system, according to the new section head.

Among the unfair practices the new section will investigate are: undercover discounts, secret rebates and subsidies given one type of retailer over another.

New Lumber Ceilings

At the same time that they scheduled ceilings on mill shipments of Douglas fir and Southern pine last week, OPA authorities served notice on lumber yard operators that they are watching closely the retail price of lumber to see that it doesn't "go out of line."

Retailers are expected to take into account the large turnover now current in fir and pine lumbers due to defense building, and the consequent lowering of their per unit overhead costs, when setting retail prices.

Prices advances traceable to increases in demand but not to cost will be considered speculative, conducive to inflation, and harmful to defense, OPA price authorities state.

The new schedule represents a considerable cut below the market in the upper grades of lumber. They have been brought back into line, and prices established at a level considered reasonable by most millmen.

The recent chaotic conditions in the lumber market are now expected to be stabilized. Because of price uncertainties, many yard operators had been forced into a position of hand-to-mouth buying, and kept from establishing adequate inventories.

Nickel-bearing scrap schedule clarified and revised after dealer-consumer meeting

Amendments to the nickel-bearing scrap materials price schedule, growing out of recommendations made at a recent meeting of dealers and consumers, were announced September 9 by OPA Administrator Henderson.

The series of amendments were designed to clarify and revise certain aspects of Price Schedule No. 8, which became effective on June 2 and covered a wide variety of scrap and secondary materials containing nickel.

Principal changes

The principal changes and the reasons for their adoption follow:

1. *Maker not a converter.*—

A manufacturer or fabricator who produces nickel-bearing scrap is prohibited from qualifying as a converter and thus is not entitled to the converters' premium set forth in the schedule. The converters' premium is allowed to enable those dealers who perform the specialized functions of a converter to continue in the performance of their functions. Allowing the industrial maker of scrap to be a converter would tend to squeeze the converter out of business because it would give the maker an incentive to sell directly to the consumer and thus bypass the converter. Definitions of a converter and an industrial maker are set forth in the amendment.

2. *Revision of schedule on stainless steel scrap.*—

One price—\$90 per gross ton—is fixed for the so-called 18-percent chrome, 8-percent nickel type of stainless steel scrap. Under the original schedule, the maximum price for 18-8 stainless steel scrap containing more than 0.08 percent carbon was \$85 per gross ton. A maximum of \$95 per gross ton was fixed for the same type containing 0.08 percent or less carbon. OPA's experience indicated that the differential served no useful function and in some instances merely afforded an opportunity for violation of the terms of the schedule.

Maximum price established

A specific maximum price is established for stainless steel turnings and borings. Turnings and borings have been selling at prices out of line in rela-

tion to existing schedule prices, which were intended to apply to sheets, clippings, and solids. A maximum price of \$30 per gross ton less than the applicable maximum price for sheets, clippings, and solids is fixed for turnings and borings in the case of chrome-nickel type stainless steel scrap. In the case of the straight chrome type, the maximum price for turnings and borings is fixed at \$5 per gross ton less than the applicable maximum price for sheets, clippings, and solids.

A maximum price of \$10 per gross ton less than the applicable maximum price for carload lot shipments of chrome-nickel type stainless steel scrap is established for less than carload lot shipments. The amendment provides that a carload lot may be made up of any kind or grade of stainless steel scrap, including both the chrome-nickel and the straight chrome types. One maximum price still applies, however, on straight chrome stainless steel scrap, regardless of whether it is shipped in carload or less than carload lots.

Seek uniformity in classification

Responding to a request by the Office of Production Management for uniformity in the present classification of straight chrome type stainless steel scrap, OPA breaks down its classification into a class containing 12-14 percent chrome, one containing 14-18 percent, and another containing over 18 percent. The over 18 percent class is the only new one, and the maximum price for it is fixed at \$40 per gross ton, plus 9½¢ per pound for each pound of chrome in excess of 18 percent.

The \$10 briquetting premium set forth in the present schedule will be allowed under the revised schedule for sales of stainless steel scrap in the form of power pressed briquettes "which are suitable, without further preparation, for direct charging into an electric furnace." Under the old language, the premium applied only to "hydraulic press briquettes." OPA explained that some of the newer machinery for briquetting is electric rather than hydraulic, and no restrictions ought to be placed on the type of machinery used. The requirement that the briquette be suitable for direct charging into an electric furnace is necessary so that premiums cannot be claimed for sales of scrap in the form of bundles or bales. The premium is allowed only for

briquetting—a function performed on behalf of the consumer—and not for baling scrap, which must be done preparatory to shipping. There is no requirement, it was pointed out, that the briquette be charged into an electric furnace; it may be charged into an open-hearth furnace; but before the premium is allowed, the briquette must be suitable for charging into an electric furnace.

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Businessmen appointed to Price Division's staff

Appointment of several well-known businessmen to the staff of the Price Division, OPA, was announced September 1 by J. K. Galbraith, assistant administrator.

These men are being assigned to various commodity sections in the Price Division where they will work with economists and other technical experts already in those sections. Among the new appointments are:

Food section.—Thomas E. Milliman, president of subsidiaries of the Grange League Federation Exchange, Ithaca, N. Y., producing and dealing in fertilizer, lime, and agricultural chemicals.

Iron and steel section.—Herbert Ziegler, former district manager of the Reliance Steel Corporation and Frank Beane, partner in the brokerage firm of Fenner & Beane, New York.

Consumers durable goods section.—Arthur Oppenheimer, Jr., buyer for the home furnishings department of Bloomingdale's department store in New York.

Chemical, drugs and paint section.—Oregon B. Helfrich, formerly employed by the Resinous Products and Chemical Co.

Automobile and truck section.—Ervin G. Stier, formerly a cost accountant at the Fort Wayne, Ind., plant of International Harvester Co.

Nonferrous metals section.—James Bruce, formerly manager of the Cyprus Mines Corporation, Island of Cyprus, with offices in Los Angeles, Calif.

Industrial and agricultural machinery section.—Edward John Ure, formerly an industrial engineer with Baker Perkins & Co., Saginaw, Mich.

Fuel section.—Charles H. McNeese, formerly a valuation engineer with the Continental Oil Co., Ponca City, Okla.

Textiles, leather and apparel section.—Eugene Szepesi, formerly consultant and engineering economist for Lampport Co., New York.

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DEFENSE BONDS SOLD TOTAL \$1,272,083,000

Sales of defense bonds for August were \$265,606,000, bringing the total for the 4 months since the savings program was inaugurated on May 1 to \$1,272,083,000, it was announced by the Treasury Department September 4.

OPA approves liquidation of rubber futures at 22½-cent top

Approval of a proposal of a special committee of the Commodity Exchange, Inc., New York, to resume trading in rubber futures for the sole purpose of liquidating outstanding contracts and under a maximum trading price of 22½ cents a pound was expressed September 11 by OPA Administrator Henderson, in a telegram to the Exchange.

Trading in rubber futures was suspended on August 13 in response to a request from Mr. Henderson that outstanding contracts be settled at prices prevailing on August 12. By this means, the OPA administrator acted to forestall the possibility of a rise in the price of free supplies of crude rubber while outstanding contracts were being settled on the Exchange.

Since the suspension of trading a special committee appointed by the Exchange has been conducting an investigation to arrive at fair settlement terms.

The proposal for resumption of trading on a liquidation basis only and under a top price of 22½ cents established by the Exchange itself was submitted to Mr. Henderson. As the purpose of his original request will be served by the committee's plan and since the majority of parties to outstanding contracts evidently prefer to carry them out, Mr. Henderson notified the Exchange of his approval.

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Rayon producers advisory committee holds first meeting

The Bureau of Clearance of Defense Industry Advisory Committees announced September 12 the formation of a Rayon Producers Defense Industry Advisory Committee. Members of this committee held their first meeting September 11 with the Silk Substitution Section of OPM to discuss problems in the industry.

Membership of the committee follows:

J. E. Bassill, Tublitz Chatillon Corporation, New York City; C. McD. Carr, American Enka Corporation, New York City; M. P. Epstein, Industrial Rayon Corporation, Cleveland, Ohio; Charles S. Fowler, Hartford Rayon Corporation, Rocky Hill, Conn.; Hubert Kernan, Skenandoa Rayon Corporation, Utica, N. Y.; George R. Lockhart, Woonsocket Rayon Co., Manville, R. I.; W. B. Olmstead, American Viscose Corporation, Wilmington, Del.; Col. Harry Price, Celanese Corporation of America, New York City; Leon H. Ryan, Delaware Rayon Co., Newcastle, Del.; J. C. Stone, Tennessee Eastman Corporation, Kingsport, Tenn.; Charles Wolf, North American Rayon Corporation, Elizabethton, Tenn.; L. A. Yerkes, E. I. duPont de Nemours & Co., Wilmington, Del.; and Paul L. Zens, Imperial Rayon Corporation, Gloucester City, N. J.

Carded cotton yarn ceiling expected as prices advance toward combed ceiling

Ceiling prices for carded cotton yarn are expected to be announced in the near future, it was stated following a meeting September 9 between officials of the Office of Price Administration and leading producers of carded yarns.

It was expected that maximum prices on carded yarn would be established by amending the combed cotton yarn schedule, rather than by issuing a separate schedule.

The schedule, as amended, would cover combed and carded yarn of ordinary commercial qualities. A technical advisory committee, comprised of representatives of combed and carded yarn producers and users of both types of yarn, will be selected to work out a revised procedure to deal with prices on special qualities such as knotless carded yarn, and the combed yarns now exempted from the present schedule.

Prices have risen

Imposition of maximum prices on carded yarn has become necessary because of increases in carded yarn prices in recent weeks. Normally, carded yarn, except for certain special grades, sells below equivalent counts of combed yarn. Since combed yarn has been subject to a schedule of ceiling prices, however, this normal difference has been narrowed considerably and in some instances has

disappeared. The result has been disturbing to both the sellers and users of carded yarns.

Such ceiling prices as are decided upon for carded yarn will recognize the differentials that have applied over a long period of years.

Both combed and carded cotton yarns are produced from raw clean cotton and, up to a certain point, by the same manufacturing process. In the final stages, however, combed yarn is put through an additional process which removes the short cotton fibers, leaving only the longer fibers.

Like the present schedule, the enlarged schedule will apply only to combed and carded yarn for sale, and not to the yarns produced for use within the manufacturer's own plant.

Carded yarn producers attending the September 9 meeting were: Henry W. Swift, Swift Spinning Mills, Columbus, Ga.; C. S. Northen, Jr., Avondale Mills, Sylacauga, Ala.; Hyman L. Battle, Rocky Mount Mills, Rocky Mount, N. C.; E. N. Brower, Rockfish Mills, Hope Mills, N. C.; W. N. Banks, McIntosh Mills, Newman, Ga.; Scott Russell, Bibb Manufacturing Co., Macon, Ga., and Philip Dana, Dana Warp Mills, Westbrook, Maine.

Other yarn manufacturers have been consulted individually in field investigations.

Subcommittees named to advise on additions to cotton grey goods schedule

Subcommittees to advise on the various important constructions which it is planned to add to the cotton grey goods price schedule were appointed September 10 at a meeting of the cotton textile advisory panel with officials of OPA.

The subcommittees will recommend what further constructions should be brought under the grey goods ceiling and the price differentials that should apply in each case. Their findings will be reported at a further meeting scheduled for September 18.

Prior to the actual inclusion of these additional goods under a ceiling, however, the effect on existing maximum prices of the recent increases in the price of raw cotton will be discussed.

In response to an inquiry from members of the panel, Administrator Henderson stated that it would be his policy

under present ceiling operations that contracts made within the prices established in the cotton grey goods price schedule would not be disturbed in the event that future revisions of the schedule up or down become necessary.

Membership of the subcommittees follows:

Print cloth yarn fabrics—Earl R. Stall, F. W. Poe Mfg. Co., Robert T. Stevens, J. P. Stevens & Co.; Donald Comer, Avondale Mills; N. L. Smith, Chicopee Mills; Auguste Richard, Pacific Mills.

Colored goods—Herman Cone, Cone Export and Commission Co.; K. T. Lewis, Durham, N. C.; George Harris, Riverside & Dan River Cotton Mills; Donald Tansill, Pepperell Mfg. Co.; B. F. Berman, Stonewall Cotton Mills.

Wide goods—Charles Cannon, Cannon Mills; Scott Russell, Bibb Mfg. Co.; R. D. Williams, Jr., Calloway Mills.

Carded yarn sheeting fabrics—Charles Sweet, Wellington, Sears Co.; Howard Baetger, Mt. Vernon Woodberry Mills; Sam H. Swint, Graniteville Mills; Paul Redmond, Alabama Mills.

\$428,835,709 War Department contracts cleared September 4 through September 10

Defense contracts, including an informal letter contract, totaling \$428,835,709 were awarded by the War Department and cleared by the Division of Purchases, Office of Production Management, during the period September 4 through September 10. This compares with a total of \$292,901,020 for the previous week.

CONSTRUCTION

American Friedman Bitulithic Association, Houston, Tex.; additional construction at Advanced Pilot Training School, Victoria, Tex.; \$1,932,838. (Total estimated cost now \$3,457,838.)

Two contractors: H. E. Wolfe Construction Co., Inc., St. Augustine, Fla., and L. B. McLeod Construction Co., Orlando, Fla.; road construction, shoulders and slopes, pipe culverts, etc., at Camp Blanding, Fla.; \$828,534.

Two contractors: MacDonald & Kahn and J. F. Shea, San Francisco, Calif.; construction of Armored Division Camp at Santa Maria-Lompoc, Calif.; \$17,382,671.

A. Farnell Blair, Decatur, Ga.; construction of Armored Division Camp at Fort Smith, Ark.; \$15,512,786.

Pacific Rock & Gravel Co., Los Angeles, Calif.; construction of landing strip, runways, taxiways, aprons, etc., at Air Corps Flying School, Lemoore, Calif.; \$694,844.

Thomas C. Buck, Stockton, Calif.; construction of temporary buildings, water, gas, sewer, storm drain and electrical systems, and streets and sidewalks at Stockton, Calif.; \$669,398.

Skilken Brothers, Columbus, Ohio; construction of storage warehouse at Erie Proving Grounds, Ohio; \$1,642,621.

Douglas Aircraft Co., Inc., Santa Monica, Calif.; acquisition and establishment of additional facilities at or near Santa Monica, Calif.; to be used in production of aircraft; \$522,170. (Defense Plant Corporation agreement of lease.)

Three contractors: C. G. Kershaw Construction Co., Birmingham, Ala.; Engineers, Ltd., San Francisco, Calif.; and Walter Butler Co., Minneapolis, Minn.; construction of building, production equipment, railroads, etc., at Redstone Ordnance Plant, Huntsville, Ala.; contract for design and supervision of construction, Whitman, Requaardt and Smith, Baltimore, Md.; \$4,606,000.

Joseph E. Bennett Co., Boston, Mass.; construction of miscellaneous buildings at Presque Isle, Maine Air Base; \$1,144,987.

T. W. Cunningham, Inc., Winchester, Mass.; construction of miscellaneous buildings at Houlton, Maine Air Base; \$894,400.

AIRCRAFT

Boeing Aircraft Co., Seattle, Wash.; airplanes and spare parts; \$214,515,584.

Boeing Aircraft Co., Seattle, Wash.; airplanes and spare parts; \$122,931,473.

Douglas Aircraft Co., Inc., Santa Monica, Calif.; airplanes and spare parts; \$9,709,617.

ORDNANCE

Continental Motors Corporation, Muskegon, Mich.; parts for tanks; \$2,345,661.

Mullins Manufacturing Co., Salem, Ohio; shells; \$697,493.

McCord Radiator & Mfg. Co., Detroit, Mich.; helmets; \$767,986.

Browne & Sharpe Mfg. Co., Providence, R. I.; grinding machines; \$719,325.

The Midvale Co., Philadelphia, Pa.; tubes; \$864,000.

U. S. Pipe and Foundry Co., Birmingham, Ala.; shells; \$694,572.

Bauer Brothers Co., Springfield, Ohio; shells; \$1,930,500.

Sheffield Steel Corporation, Kansas City, Mo.; forgings; \$600,000.

EQUIPMENT AND SUPPLIES

Reeves Brothers, Inc., New York, N. Y.; 9,561,000 yds. cotton uniform cloth, twill khaki; \$5,677,697.

National Weaving Co., Inc., Lowell, N. C.; 3,000,000 yds. cotton uniform cloth, twill khaki; \$1,859,200.

Cramerton Mills, Inc., Cramerton, N. C.; 5,000,000 yds. cotton uniform cloth, twill khaki; \$2,801,700.

William Whitman Co., Inc., New York, N. Y.; 2,400,000 yds. cotton uniform cloth, twill khaki; \$1,279,780.

J. P. Stevens & Co., Inc., New York, N. Y.; 9,126,360 yds. cotton uniform cloth, twill khaki; \$5,654,916.

J. P. Stevens & Co., Inc., New York, N. Y.; 7,627,180 yds. cotton uniform cloth, twill khaki; \$4,739,881.

Gossett Mills, New York, N. Y.; 1,250,000 cotton uniforms, twill khaki; \$756,250.

American Bleached Goods Co., New York, N. Y.; 1,500,000 yds. cotton uniform cloth, twill khaki; \$625,650.

Oneida, Ltd., Oneida, N. Y.; photographic laboratories; \$759,200.

SUBCONTRACTS

Bechtel-McCone-Parsons Corporation, Los Angeles, Calif.; construction and equipping of anhydrous ammonia plant at Louisiana, Mo. (Plant is estimated to cost \$16,073,800 and will be operated by Hercules Powder Co. as previously announced.)

Two contractors: M. J. Boyle and Co., Chicago, Ill., and S. A. Healey, White Plains, N. Y.; construction in connection with Illinois Ordnance Works at Crab Orchard, Ill.; architect-engineer services, Charles W. Cole & Sons, South Bend, Ind. (The Sherwin Williams Defense Corporation, Cleveland, Ohio, will operate plant which is estimated to cost \$23,589,095 as previously announced.)

INFORMAL LETTER CONTRACTS

Westinghouse Electric Co., Mansfield, Ohio; production of binoculars in Mansfield, Ohio, plant; \$3,173,975.

SERVICE CONTRACT

Two contractors: John W. Cunningham & Associates and Lawrence & Allyn of Portland, Ore.; lay-out and design of triangular division camp at Corvallis, Ore.

Henderson answers Dies' charges

The following statement was issued September 7 by OPA Administrator Henderson:

I am informed that Congressman Martin Dies is making public a letter to the President containing charges concerning myself and certain employees of the Office of Price Administration and the Office of Production Management. This letter it appears is issued by Dies alone, and not by his committee.

As for myself, I am not now and never have been a member of any Communist dominated or controlled organization. Recently Congressman Dies said that he would make public the names of four such groups of which I have been a member. He has not done so yet, and I challenge him again to do so.

Government investigates employees

As for the 900 employees of the Office of Price Administration, the record of each and every one must be fully investigated by the proper Government investigative agencies when they are employed. Those mentioned by Representative Dies are, of course, included in this procedure, which was established immediately after the National Defense Advisory Commission was set up by the President in May of 1940.

In the early weeks this was done by the FBI, then later it was transferred to the Treasury Intelligence. When any question is raised as to the fitness of an employee, these reports are then turned over by me to the Civil Service Commission for recommendations.

I have not received any recommendations from the Civil Service Commission regarding any of the employees mentioned in the Dies letter. Should I receive recommendations from the Civil Service Commission asking for the discharge of any employee of OPA, including the 50 anonymous employees mentioned in the Dies letter, I would fire the individual as soon as I could get him on the telephone. I would point out for Representative Dies' information, however, that summary punitive action on the basis of one man's opinion is as un-American a procedure as anything to which Mr. Dies has yet given his attention.

Civil Service classifies

I am also informed that the Dies letter describes Robert Brady, one of the employees named, as my "head consultant." That designation happens to be a classification assigned by the Civil Service Commission and does not indicate any relationship between myself and Mr. Brady. As a matter of fact I personally do not have direct contact with Mr. Brady. Nor have I direct contact with the other employees named in the Dies letter.

As for Mr. Dies' exhibits accompanying his letter to the President, they will be referred to the investigative agency which will pass upon the individuals' qualifications and loyalty and, I repeat, I will abide by the final recommendations of the Civil Service Commission.

HEALTH AND WELFARE . . .

McNutt endorses group hospitalization to put service into family budget

In order to protect the health and productive capacity of the Nation as well as to conserve American resources for defense activities, Federal Security Administrator Paul V. McNutt said September 14 that his Office of Defense Health and Welfare Services had endorsed and would encourage participation by employers and employees in group payment plans for hospital service.

The administrator's endorsement is in line with recommendations made by the Office of Defense Health and Welfare Services' Health and Medical Committee and its subcommittee on hospitals. The Health Committee is headed by Dr. Irvin Abell of Louisville, Ky., and includes the Surgeon General of Public Health, Surgeon General of the U. S. Army, and the Surgeon General of the U. S. Navy.

Provides for private initiative

Mr. McNutt said he would urge upon employers to assume the maximum of responsibility in making hospital service and other community facilities available, as these plans combine the principles of private initiative and hospital service.

In a letter to the American Hospital Association, Mr. McNutt said: "The American Hospital Association is to be congratulated on the development of Blue Cross plans, which enable 7,500,000 Americans to place hospital care in the family budget along with other necessities. Your association has not only encouraged professional and administrative standards of service which have made American hospitals the best in the world; it has also developed a method by which these services are made available to the American people.

Many now must forego service

"The uncertainty of continued good health, and the importance of hospital care in the treatment of illness make it desirable for employed workers and their dependents to place hospital care in the family budget along with other necessities. Without such planning, many employed persons are now compelled to forego necessary hospital care, or to obtain free service in tax-supported institutions.

"One special feature of these Blue Cross plans which makes them particu-

larly desirable for workers moving from one 'defense community' to another is the arrangement for the transfer of paid-up subscribers from one area to another. All the flexibility possible should be encouraged so that the maximum protection to defense workers may be secured."

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Ness appointed director of Social Protection Division

Federal Security Administrator Paul V. McNutt announced September 10 the appointment of Eliot Ness, director of public safety of Cleveland, Ohio, to be the director of the division of social protection in the Office of the Director of Defense Health and Welfare Services. This division works with defense communities to secure the repression of commercialized prostitution and forestall conditions leading to prostitution.

Before he became director of public safety at Cleveland 6 years ago, Mr. Ness attained national prominence by the part he took in divorcing Al Capone and his associates from their income from illegally operated breweries and other unlawful activities. Loaned by the Department of Justice to the United States District Attorney's Office, he organized and directed the "untouchables" whose activities played an important part in breaking up the gangster rule in Chicago.

Succeeds Bascom Johnson

Mr. Ness, who is on loan from the city of Cleveland, succeeds Bascom Johnson, who resigned in order to resume direction of the legal and protective work being done by the American Social Hygiene Association for the Division of Social Protection, the United States Public Health Service, the Army and Navy and State health and law enforcement officials.

Mr. McNutt stated that Mr. Johnson will continue to serve as a consultant of the social protection division and that the association will continue its active cooperation with the Division.

The administrator also announced the resignation of Roy Dickerson as assistant director of the Division of Social Protection to become the executive director of the Cincinnati Social Hygiene Society.

President asks McNutt to develop Nation-wide public discussion program

In order to build civilian morale, soundly based on understanding of the problems arising from the world crisis, the President has requested Federal Security Administrator Paul V. McNutt (who also is Director of Defense Health and Welfare Services, OEM) to develop and inaugurate a Nation-wide program of public discussion. He urged that the program be organized by the United States Office of Education with the cooperation of colleges and public school systems.

"The genius of American democracy," the President stated in a letter to Mr. McNutt, "is expressed in the traditional independence and freedom of our State and local schools and school systems. Their freedom of action for educational purposes must be preserved. It is upon

that freedom that we hopefully depend for assurance that the judgments of our people will be soundly based."

The President also referred to the "beneficial results" of the forums and study-discussion groups developed since 1935 through the Federal Forum Project of the Office of Education.

"Good morale," said Mr. McNutt, "is as important to defense as guns and planes. Morale in a democracy is unity of purpose based on common understanding. That kind of morale thrives on free and full discussion.

Mr. McNutt announced that he was calling on the United States Commissioner of Education, John W. Studebaker, to take immediate steps to adapt the experience and organization of the Office of Education in launching the program.

AGRICULTURE . . .

(Information furnished through Office of Agricultural Defense Relations,
U. S. Department of Agriculture)

Forest Service undertakes trial planting of cork oak to meet defense shortage

The Department of Agriculture's Forest Service is planning to undertake a small experimental program during the coming year on the planting and cultivation of cork oak, if the necessary supply of acorns can be secured from the Mediterranean.

The growing shortage of cork to meet defense requirements has raised various questions about the possibility of growing a backlog of this material within our own borders.

The United States has been importing approximately \$10,000,000 worth of cork annually from the Mediterranean area where corkbark oak, from which it is stripped, grows in open woodlands throughout mountainous portions of Spain, Portugal, and North Africa.

The climate of this area is very similar to that of parts of southern California, Arizona, New Mexico, and Texas, and there seems to be no reason biologically why cork could not be successfully grown in this section. It might also do well

in parts of Mexico or other Central American countries.

Introduced in California

Cork oak was introduced in California on a small scale over 70 years ago through a shipment of acorns sent from Spain to San Francisco. In 1940, the Agricultural Extension Service of the University of California supervised the gathering of about 5 tons of cork from scattered plantations throughout the State. This cork was found equal in quality to that of first yield cork grown abroad. Trees from which this cork was gathered ranged from 26 to 70 years of age and from 8 to 52 inches in diameter, averaging, however, about 13 inches diameter at breast height.

Cork woodlands in Spain and Portugal are said to yield on the average about 200 pounds of cork per acre annually. In the past, due to low production costs, including wages, cork produced abroad has cost about 4 cents per pound, a price which it would be impossible to match in the United States.

Site sought for Inter-American tropical agriculture institute

The wheels are beginning to turn on another important program to help the farmers of this country and the countries of Latin America to dovetail their farming to their mutual profit and, at the same time, to strengthen the long-time defense program of the Western Hemisphere.

Representatives of the U. S. Department of Agriculture are now in Latin America to help pick the location, and make plans for, the long-talked-about Inter-American Institute of Tropical Agriculture.

The group is inspecting proposed Institute sites which have been offered by the Governments of Venezuela, Brazil, Ecuador, Costa Rica, and El Salvador, and sites that may be offered by other American Republics before their scheduled return to the United States late in September. In each country they are being assisted by local agricultural technicians. Tracts are being inspected from the standpoint of suitability for tropical

agricultural research and education. At this institute, the scientists will study and develop better methods to grow all kinds of tropical crops from spices and oils to rubber.

The Institute will be a cooperative project of all American Republics that are concerned in the production or consumption of tropical agricultural products. It is planned as a combined school of agriculture and experiment station for students and technicians from all the American Republics.

With these tropical crops to grow, agricultural leaders expect that farmers in the warmer parts of the Americas will be less inclined to expand further with some of our surplus crops such as wheat, cotton, and corn.

In addition to relieving the surpluses, these tropical crops would give the United States a closer home, more dependable supply of important products, and also would provide trade to tie the Americas more closely together.

Civilian Supply releases gasoline to move crops

An interpretation of the civilian allocation program for motor fuel, designed to facilitate movement of the Southern tobacco crop and the Maine potato crop and to permit increased supplies in so-called defense areas along the Atlantic coast, was issued September 14 by the Division of Civilian Supply and the Office of Petroleum Coordinator for National Defense.

The interpretation specifically states, however, that any adjustments made under it must not disturb the over-all 10 percent reduction below July 1941 deliveries as required by the allocation program. Suppliers must make adjustments between companies and between areas so that the over-all cut will be maintained.

Under the interpretation, suppliers, resellers, and service stations in defined areas in Maine, North and South Carolina, Georgia, and Virginia may be supplied with gasoline for September 1941 on the basis of their individual September 1940 gallonage plus 10 percent.

The interpretation placed Army post exchanges and Navy supply stores in Atlantic coast defense areas in the class of governmental buyers.

To correct certain inequities, the interpretation also stated that resellers and service stations which received subnormal deliveries during July 1941 shall receive in September their appropriate percentage of their July deliveries adjusted to normal. It is provided that in the areas where September 1940 shall be taken as a base, subnormal deliveries in that month shall be adjusted to normal.

Farm areas where increased September consumption is permitted are:

The county of Aroostook, Maine, and those counties lying east of and including the following counties:

In North Carolina, Granville, Durham, Wake, Harnett, Lee, Moore, Montgomery, and Richmond; *in South Carolina*, Marlboro, Darlington, Lee, Sumter, Calhoun, Orangeburg, and Barnwell; *in Georgia*, Burke, Emanuel, Johnson, Lauren, Bleckley, Pulaski, Dooly, Sumter, Webster, Stewart, Quitman, Clay, Early, and Seminole; *in Virginia*, Dinwiddie, Brunswick, Patrick, Henry, Franklyn, Campbell, Prince Edward, Nottoway, Halifax, Charlotte, Mecklenburg, Lunenburg, and Pittsylvania.

TRANSPORTATION . . .

Cars 20,000 short of goal for peak season, Budd asks heavier loads, quick unloading

Ralph Budd, Transportation Commissioner, OEM, disclosed September 11 that he had addressed a letter to all of the Nation's shippers and receivers calling attention to the lag in the car-building program.

Scarcity of material will result in the existence of 20,000 fewer new cars in service on October 1 than were anticipated by the railroads, Mr. Budd said. He called for full cooperation in efficient utilization of existing equipment to meet transportation demand during the coming peak period.

Text of the letter follows:

TO THE SHIPPING PUBLIC:

The season of the year is at hand when carloadings reach their peak. What the peak may be is a matter of conjecture. Carloadings during the last week in August totaled 912,720 cars, an increase of 18.7 percent over the corresponding week in 1940, and the cumulative carloadings for 35 weeks of 1941 are 18.2 percent above the corresponding period of 1940. If carloadings follow the usual pattern in rising to the fall peak, and especially in view of the diversion of freight from other carriers to the rails, then the highest weekly loading may be between 975,000 and 1,000,000 cars.

The railroads have cooperated with this office in making plans for acquisition of equipment and for repair of unserviceable equipment necessary to meet the increasing traffic demand incident to the defense program and civilian requirements. On August 15, 1941, there were 1,589,203 railroad-owned serviceable freight cars, an increase of 163,383 over the number available on September 1, 1939. Inability to obtain necessary material in recent months, however, has resulted in the car-building program lagging to the extent that by October 1, 1941, there will be 20,000 less new cars in service than were provided for by the railroads.

Since material has not been obtainable to build the new cars that were ordered we must make better use of the existing ones.

The important part which shippers and receivers play in efficient utilization

of freight cars has long been recognized. Your cooperation has been sought to the end that cars may be loaded and unloaded with the utmost speed, that equipment may be loaded heavier and efficiency promoted by other means with which you are all familiar. The cooperation in this respect which has come to my attention not only has been appreciated but has enabled me to reject various proposals which have been made and would change measurably the present regulations governing the shipper-carrier relationship.

During the next several weeks in order that everyone desiring transportation service may receive it currently without delay, new records in the volume of transportation rendered per unit of serviceable equipment must be made. This appeal to all users of transportation to renew during the coming weeks their previous efforts to eliminate all wasteful use of transportation, and particularly to urge all to do everything in their power to prevent delay to cars while awaiting loading or unloading is made in the interest of the general welfare. A few hours and a few dollars spent in loading or unloading cars 7 days a week or after usual closing time may well pay large dividends to the shippers directly involved, and to the country as a whole.

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East's oil shortage cut in half, says Davies

The original daily shortage of petroleum products flowing to Atlantic Seaboard territory has been cut by more than half, Acting Petroleum Coordinator Ralph K. Davies reported September 11. He added, however, that "our appraisal of the present and future stock deficiency remains as previously reported, and the necessity for public cooperation continues."

Mr. Davies said that as a result of actions taken by the oil industry at the suggestion of the Coordinator's office, the daily shortage caused by diversion of tank ships to defense purposes had been reduced from 353,200 to 174,500 barrels.

Pilot plant for fuel from farm products nearly completed

A semicommercial plant for production of motor fuel from farm products has been practically completed at the Department of Agriculture's Northern Regional Research Laboratory at Peoria, Ill.

This pilot plant, into which the chemists and engineers have incorporated all the latest improvements in equipment and processes available, is to be used for rigorous, large-scale testing of promising developments from the regional laboratory and elsewhere. It is capable of producing 500 gallons of alcohol per day. The first pilot plant work will be on corn, followed by work on sweetpotatoes, white potatoes, wheat, and other carbohydrate crops.

"Because of the important role of motor fuel in industry and the daily lives of the people in this country," Dr. Henry G. Knight, chief of the Bureau of Agricultural Chemistry and Engineering, said, "we are making every effort to push this important research. The United States is particularly fortunate in its supplies of fuels for all purposes, but improvements and development of special fuels would be welcome, particularly these days when defense requirements call for the best we can do."

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CARLOADINGS DROP OVER HOLIDAY

Revenue freight carloadings during the week ended September 6, which included the Labor Day holiday, totaled 797,740 cars, an increase of 14.8 percent over the 695,094 cars loaded during the corresponding week in 1940, but a decrease of 114,980 cars under the preceding week in 1941 when loadings totaled 912,720.

CARLOADINGS WEEK ENDED SEPTEMBER 6

	1941	1940	Percent increase
Grain and grain products.....	36,878	37,254	11.0
Livestock.....	12,617	15,876	20.5
Coal.....	160,141	118,522	26.7
Coke.....	12,626	9,844	28.3
Forest products.....	38,686	34,657	11.6
Ore.....	70,802	69,487	1.9
Merchandise l. c. l.....	138,398	134,579	2.8
Miscellaneous.....	837,592	274,875	22.8
Total.....	797,740	695,094	14.8
Cumulative (36 weeks).....	28,522,053	24,150,012	18.1

¹ Decrease.

CIVILIAN DEFENSE . . .

How volunteers may enroll and take part in community defense told by manual

Detailed instructions on how volunteers may enroll for and participate in their own community defense program were announced September 14 by OCD Director LaGuardia.

The instructions are contained in a 36-page manual issued by the Office of Civilian Defense, entitled "A Civilian Defense Volunteer Office." The manual is the result of several months' study of the opportunities for civilian participation in the defense program, not alone in the various volunteer services but in conjunction with the various branches of the Federal Government engaged in social service.

"By means of this manual," Mayor LaGuardia said, "every community in the United States will have exact instructions by which its own citizens can establish a central place where those desirous of helping their country's defense program can go to volunteer for a specific job or to learn where to train for such a job."

Meets varying conditions

Mayor LaGuardia pointed out that conditions vary between communities and that the manual recognizes the differences between urban and rural sections.

"The Civilian Defense Volunteer Office," Mayor LaGuardia said, "will work with the local defense council to survey the community needs for volunteer personnel before it begins enrollment. After the community defense requirements have been appraised, the manual outlines plans for listing opportunities for volunteer services and the training facilities." Plans and specifications for volunteer participation in recreation, health, welfare, family security, nutrition, education, and other types of public and private community service, are also described.

Registration for volunteers

Mayor LaGuardia said that where no local defense council exists in a community, organized groups should take the initiative and establish a Civilian Defense Volunteer Office.

"There is no time to be lost," the Mayor warned, "because there are many people who want to serve defense and a great many programs that need their services."

Commenting on registrations already held in numerous communities under

auspices of local defense councils, Mayor LaGuardia said:

"The local volunteer office should make use of such registration cards after it has ascertained the opportunities for volunteers. It should get the persons registered to come into the office to be interviewed and into training for their jobs."

"Many organizations already have training courses for volunteers in the defense programs. It is not the purpose of the Office of Civilian Defense to interfere with them. We suggest that when volunteer service for the community is under consideration, such organizations assist the defense effort by asking their members to enroll at the volunteer office as individuals.

"No one can predict the scope of the emergency in every American community. If, through fraternal and other organizations, persons are carrying on worthwhile work at this time, the Office of Civilian Defense hopes they will continue. We would ask, however, that

they register at the volunteer office so that it may become a clearing house for volunteer effort and have the information concerning the special skills of those citizens who are in a position to render community defense service."

Mayor LaGuardia announced the appointment of Miss Wilmer Shields of New Orleans, La., to head the newly created Division of Community Volunteer Service in the Office of Civilian Defense. Miss Shields will head a field staff.

Mayor LaGuardia also announced the appointment of Mrs. Katherine Rogers Van Slyck of Cedarhurst, N. Y., as consultant in the Office of Civilian Defense.

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MRS. ROOSEVELT NAMED "NO. 1 VOLUNTEER"

Mrs. Franklin D. Roosevelt has been appointed an assistant director of the Office of Civilian Defense, Director LaGuardia announced September 13. Mayor LaGuardia, in revealing that the First Lady would report for duty September 29, described her as "America's No. 1 Volunteer."

Deputy director appointed to coordinate U. S. agencies' work, manage field staff

Mayor F. H. LaGuardia, director of the Office of Civilian Defense, announced September 15 appointment of Corrington Gill as deputy director in charge of operations of the OCD. Mr. Gill, prominent in the planning and administration of Federal public work programs for the last 10 years, will resign his position as assistant commissioner of the Work Projects Administration to accept the defense post.

In establishing this new function within the OCD, Director LaGuardia said he had requested Mr. Gill to coordinate the civilian defense activities of all Federal agencies and to take charge of the OCD field staff. Mr. Gill will maintain liaison between civilian defense organizations of the various states providing channels of information to and from the Governors, State Defense Councils, and local defense groups.

The new OCD official participated in the initiation of the Federal Emergency Relief Administration, the Civil Works

Administration, and WPA, after having served for two years, 1931-33, with the Federal Employment Stabilization Board.

With administrative management procedures that attracted the favorable attention of many business executives, Mr. Gill has handled more than 12 billion dollars of Government funds in what has been called "the greatest peacetime spending program in history" without a single charge involving irregularity by his Washington or State assistants.

As the Assistant Commissioner of WPA in charge of the Divisions of Finance, Research, and Statistics he has developed an organization producing the most detailed information ever available on social and economic conditions and recently initiated the first official monthly series of unemployment estimates. He has also been in charge of the office of the general counsel.

Mayor T. Semmes Walmsley will continue as acting deputy director of the OCD.

Eight doctors from five American Republics awarded fellowships for study in U. S.

Eight physicians from five American Republics have been invited to the United States and awarded fellowships for special graduate study in this country, it was announced September 10 by the Office of the Coordinator of Inter-American Affairs.

The eight physicians—from Brazil, the Dominican Republic, Mexico, Paraguay, and Venezuela—will study at outstanding United States medical institutions. The project was made possible through the cooperation of the Pan American Sanitary Bureau, the Department of State, and the Coordinator's Office.

The physicians who will receive fellowships and the institutions to which they have been assigned are as follows:

Brazil

Dr. Aurelio Monteiro, who was graduated from the National School of Medicine of Rio de Janeiro, receiving honors in gynecology, is a member of the Society of Medicine and Surgery of Rio de Janeiro and of the Brazilian Society of Gynecology and winner of the 1939 Gynecology Prize of the Society of Medicine and Surgery. To prepare himself for an assistantship in the Department of Surgery of the Rio Medical School, Dr. Monteiro will study at the Johns Hopkins Hospital in Baltimore.

Dominican Republic

Dr. Rafael Arturo Batlle, who was graduated from the Santo Domingo National University in 1938, will study under Dr. Hugh Young at the Brady Urological Institute of Johns Hopkins University in Baltimore. Upon his return to his own country, Dr. Batlle will head the urological service of the new hospital which the Government has opened at Ciudad Trujillo.

Dr. L. F. Thomen, who was graduated from the University of Santo Domingo in 1936 and from Tulane University in 1938, will study in the Johns Hopkins School of Hygiene and Public Health in Baltimore, and later will visit the State Health Departments of Virginia and Georgia.

Mexico

Dr. Feliciano Palomino-Dena, who was graduated from the Army Medical School in Mexico City, is a major in the medical corps of the Mexican Army, and has been director of the Mexican Federal

Hospital for Drug Addicts. He will study ophthalmology at Columbla University, New York City, or at the Eye and Ear Infirmary of Massachusetts General Hospital, Boston.

Dr. Rodolfo Vera-Barrigute, who was graduated from the Army Medical School in Mexico City, is now studying at the tuberculosis division of the health departments of the District of Columbia and Baltimore. After completing his studies there, he will go to the Henry Phipps Institute in Philadelphia.

Paraguay

Dr. Raúl Peña, Director of Health and chief of the National Health Laboratories of Paraguay, is studying and observing the activities of the District of Columbia

Health Department and the health departments of the States of Virginia, Georgia, and New York. Later Dr. Peña will visit the venereal disease clinic of the United States Public Health Service at Hot Springs, Ark., and attend meetings of public health societies.

Venezuela

Dr. R. A. Salas-Victoria, of the Venezuelan Ministry of Health, will study public health subjects at the University of Michigan, including field work.

Dr. Francisco Scannone, graduate of the Central University of Venezuela, will study in the venereal disease clinic of the United States Public Health Service at Baltimore, and later probably will go to the Public Health Service venereal disease clinic at Hot Springs. On his return to Venezuela, Dr. Scannone will be connected with the division of venereal disease control of his country.

1,398 publicly built homes completed in week; 4,112 started under FHA plan

Approximately 2,000 homes for defense workers and enlisted personnel were placed under construction contract, and 1,398 completed the week ending September 6, Defense Housing Coordinator Palmer has announced.

The United States Housing Authority awarded construction contracts for 150 homes in Savannah, Ga.; 300 in Chicopee, Mass.; 250 in Washington, D. C.; and 400 in Charleston, W. Va. All of these homes will be for the families of civilian defense workers.

Among the completions reported for the week were 491 homes in San Diego, constructed by the Public Buildings Ad-

ministration for civilian defense workers. This agency also reported the completion of 65 homes in Vallejo, Calif.; 150 in Bangor, Maine, and 287 in Muskegon, Wis. These dwellings will house the families of civilian and enlisted personnel. The United States Housing Authority also reported the completion of 200 homes in Miami, Fla., for enlisted personnel, and 60 homes in Erie, Pa., for civilian workers.

As of September 6, family dwelling units totalling 111,545 had been allocated under the Defense Housing Program.

More than 85,000 of the homes allocated have been placed under construction contract and 33,830 completed.

STATUS OF PUBLIC DEFENSE HOUSING CONSTRUCTION, SEPT. 6, 1941

	Funds allocated		Contracts awarded		Complete	
	Sept. 6	Aug. 30	Sept. 6	Aug. 30	Sept. 6	Aug. 30
Number of States and Territories.....	49	49	47	47	37	36
Number of localities.....	176	176	161	160	94	92
Number of projects.....	428	428	309	299	145	135
Number of family dwelling units (regular).....	111,545	111,545	85,478	83,535	33,830	32,432
Civilian industrial workers in private defense industry.....	50,915	50,915	34,623	33,323	9,674	8,560
Civilian industrial workers in Government plants.....	19,201	19,201	16,640	16,047	4,194	4,194
Other civilians, employed by the Army and Navy.....	10,642	10,642	8,804	8,804	3,660	3,660
Married enlisted personnel.....	30,787	30,787	25,411	25,361	16,302	16,013
Number of family dwelling units (trailers).....	4,254	4,254	3,834	3,834	1,675	1,675
Civilian industrial workers in private defense industry.....	3,634	3,634	3,434	3,434	1,675	1,675
Civilian industrial workers in Government plants.....	620	620	400	400	-----	-----
Number of units for single persons.....	9,591	9,591	7,624	7,624	4,931	4,931

NEW HOMES STARTED UNDER FHA INSPECTION

Jan. 1, 1941, through Sept. 8, 1941.....	151,561
Week ended Sept. 6, 1941.....	4,112

Knudsen urges every American to give "extra fifteen minutes a day" to job

We can produce more weapons than anyone else in the world, but it takes man-hours to do the job, OPM Director General Knudsen said in a speech scheduled for September 15. He urged that every American give at least an extra 15 minutes a day to his job.

Mr. Knudsen's speech was the first of 13 weekly "Defense Reports" to be delivered on radio time donated by the Firestone Rubber Co.

Excerpts follow:

Courageous men have always gone out to fight when their homes were endangered, and they should. This war, though, is different and it's worse than any other war before. While the men are out fighting for their homes, bombing planes sneak over in the dark of the night and drop high explosive bombs and fire bombs on the women and children behind the line. They call this total war. I call it total brutality. I call it totally criminal—a total violation of everything decent and civilized. And I think we owe it to ourselves and to the rest of the world to bring it to a stop and wipe it from the face of the earth for all time.

I don't know how many of us have stopped to realize that we have it within our power to wipe it from the face of the earth for all time. The only way that job can be done is to produce more of these weapons of terror than Hitler can produce. That is exactly what we can do—better than anybody else in the world. How soon we bring the war to an end is up to us. It's up to us how

hard we will work for it—how much we will put into it.

The importance of man-hours

The one thing it takes more than anything else is man-hours. Let me give you an example of the importance of man-hours. We are now producing more than 2,500 small arms per day. Small arms are pistols, rifles, submachine guns, and machine guns. That comes down to about 125 per hour. Now these factories are running pretty much around the clock, but if somehow we could get just 1 more hour per day of work in those plants it would mean nearly 1,000 more guns per week. If every man working today worked 1 extra hour a day, 6 days a week, that would be something like an extra 300,000,000 man-hours per week and that would produce a lot more planes, ships, tanks, and guns. An extra half hour a day would be 150,000,000 more man-hours per week and just 15 minutes additional would give us 75,000,000 more man-hours.

I can't tell you exactly how much sooner the war would end if we all worked an extra 15 minutes a day but I'm sure it would cut it short by a substantial margin and it would save lives and materials and money. Anybody who doesn't think that is worth while just doesn't approve of civilization.

All of us are working for defense

Of course we can't all work in defense plants. But the job has got so big now, that all of us are working for defense

one way or another or soon will be. The people who work in nondefense jobs will be doing so because we've got to keep the civilian economy running on a skeleton basis so the war effort can go forward. So we're all working for the same thing. All I ask is that we work a little bit harder and a little bit longer for it.

We can outproduce Hitler if we want to, but it is going to take a lot of sweat because he got a head start on us. We have to work not only with our hands but with our hearts because under our system of freedom men have to believe in what they're doing. We fought a civil war to get rid of slavery and we've found the free system works better than any other.

"Even an extra fifteen minutes"

I would like to see every American decide to give, in one form or another, an extra hour or an extra half hour or even an extra 15 minutes to his job from now on. That isn't much to do for your country, and that's the only way to get the man-hours we need. If we get the work we'll get the guns. And if we get the guns we can end the threat of Nazism. As far as I'm concerned the quicker we do it the better.

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MATS OF CHARTS

Mats of the pictorial statistics appearing each week on the cover of DEFENSE are available to newspapers and other publications on request to the Distribution Section, Information Division, Office for Emergency Management, Washington, D. C.

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DEFENSE



OFFICIAL WEEKLY BULLETIN OF DEFENSE AGENCIES IN THE OFFICE FOR EMERGENCY MANAGEMENT

WASHINGTON, D. C.

SEPTEMBER 23, 1941

VOLUME 2, NUMBER 38

DEFENSE PROGRESS

MANPOWER

United States Army, Sept. 18----	1,597,810
Navy and Marine Corps, Sept. 1----	352,678
Nonagricultural workers, July----	89,241,000
Percent increase since June 1940----	10.8
Sixteen defense industries, July----	2,544,000
Percent increase since June 1940----	53.8

FINANCE

June 1940-September 15, 1941 (Preliminary)

Authorized program-----	\$58,536,000,000
Army-----	24,607,000,000
Navy-----	16,978,000,000
Other agencies-----	14,951,000,000

PRODUCTION

July 1940-August 31, 1941 (Estimated)

Paid on contracts-----	\$7,272,000,000
Military aircraft in August----	1,854
Combat vessels in August----	2
Merchant ships in August----	8

Week ended September 13

Significant defense strikes	Strikes	Workers
In progress during week----	7	5,835
Number settled-----	1	1,800

INDUSTRIAL FACILITIES

in the United States financed
by the Federal Government
and Great Britain*

3-month
TOTALS

JUNE
JULY
AUG.
1940
\$110,000,000

SEPT.
OCT.
NOV.
\$738,000,000

DEC.
JAN.
FEB.
1941
\$790,000,000

MARCH
APRIL
MAY
\$716,000,000

JUNE
JULY
AUG.
\$1,440,000,000

* Each disc-\$200,000,000 in commitments for industrial facilities.

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Review of the Week in Defense

The adjustment of American life to a defense economy took on speed last week.

The Supply Priorities and Allocations Board, ruling that ships are more important than pleasure driving, rejected at least until next spring a formal application for steel plates to build a Texas-to-New York petroleum pipe line. At the same time, SPAB indicated some seamless tubing might be available for the line.

Striving to bring production up to maximum defense and essential civilian needs, SPAB charged its executive director with the task of expanding the output of every critical material. A study was launched by the Office of Production Management to increase steel from existing facilities by reducing the number of types and shapes.

Cars for December curtailed

OPM announced that December production of passenger automobiles would be curtailed 48.4 percent below that of December 1940, to conserve materials.

The Priorities Division arranged to give defense ratings to 200,000 privately financed defense housing units. Guns and tanks and shells will not be permitted to absorb the materials essential to house the workers without whom the guns and tanks and shells cannot be made; and nondefense residences, if they compete with necessary building for supplies, must wait.

Other priority action was taken to keep present facilities of the Nation in operation. Receiving this aid were public utilities, textile machines, mines, and a limited quantity of repair parts for light trucks and automobiles. Priorities were granted also for the manufacture of aircraft instruments and accessories.

The Materials Branch of OPM meanwhile ordered a reduction in the use of chlorine for bleaching of paper.

Labor conferences held

The Labor Division held a series of conferences in Detroit and Associate Director General Hillman, OPM, announced six statements of policy which labor and management will be expected to follow in dealing with labor problems coming out of the automobile curtail-

ment. Similar conferences on the silk industry brought commitments for rehiring of 335 workers in Scranton and prospects of jobs for 1,000 in the Wilkes-Barre area, all displaced because silk imports have stopped.

At the suggestion of the National Defense Mediation Board, Kansas City Power and Light Co. employees returned to work pending an investigation of issues in dispute. A 30-day truce was reached in the "captive mine" strike. The Board opened hearings in 4 other cases and received certification of 2 new ones.

OPA sets ceilings

The Office of Price Administration set maximum prices on 12 classes of ethyl alcohol in lots of 500 gallons or more; on waste paper east of the Rockies; and on byproduct foundry and furnace coke, which are important to iron and steel products.

OPA also revoked its ban on the September 15 price increase in Pennsylvania anthracite at the mine, and obtained agreement from the producers not to boost prices further without prior consultation and agreement of that office; called a meeting to discuss costs and prices of Pennsylvania grade crude oil; stated that a rise of less than 4 percent in the prices of rayon yarn did not justify upward revision of the rayon grey goods ceiling; and announced a new formula to adjust the cotton grey goods ceiling to the market price of "spot" raw cotton.

New localities get FHA financing

President Roosevelt approved the extension of 90 percent mortgage insurance under Federal Housing Administration's Title VI to 14 additional defense localities.

Transportation Commissioner Ralph Budd appointed two committees to work with SPAB and OPM on supplies for construction of railroad freight cars and steam locomotives.

The Office of Civilian Defense issued a guide for protection of plants against air raids, and urged immediate organization for the purpose.

Quotas and priorities assigned to makers of spare parts for passenger cars, light trucks

Two additional orders affecting automobile manufacturers were issued September 20 by Priorities Director Nelson. These orders, covering the production of repair parts for passenger cars and light trucks, are part of the broad program of priorities and limitations in the automotive field, which has been worked out in the Office of Production Management by the Divisions of Priorities, Labor, and Civilian Supply.

One of the orders announced is Limitation Order L-4, and the other Preference Rating Order P-57. They are designed to assure the continued operation of passenger cars and light trucks now on the roads.

Limitation Order L-4 provides that a producer of spare parts for passenger cars and light trucks may make during the period from September 15 to December 31, 1941, 60 percent of the number of parts sold by him for replacement purposes during the period from January 1 to June 30, 1941.

Preference Rating Order P-57 extends priority assistance in securing the material needed to manufacture the authorized amounts.

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RAILROAD CARS

It was erroneously stated on this page of last week's DEFENSE that Commissioner Budd has notified the shipping public that the railroads will be 200,000 cars short of their goal for the approaching peak season. The figure should have been 20,000, as it appeared on the Transportation page. Mr. Budd has stated that the supply of new cars will be that far short on October 1 of the ownership planned at the time orders were placed for car construction.

The Transportation Division points out that it does not follow necessarily that there will be in October a reported failure to meet shippers' orders to the extent of 20,000 cars. Some of the lag can be made up through increased repair of unserviceable cars and more through increased efficiency in car handling which Commissioner Budd is urging upon shippers, receivers, and railroads.

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SPAB acts to expand output of all critical materials; copper, aluminum, magnesium first

Expanded production of every critical material to meet the needs of the all-out defense program is called for in a policy announced September 16 by the Supply Priorities and Allocations Board.

The executive director was instructed to leave no stone unturned by any agency of Government in the drive to bring production of the Nation's basic materials up to maximum defense and essential civilian needs.

Immediate efforts under the SPAB program will be concentrated on aluminum, magnesium and copper.

Asks speed in existing plans

In each case, SPAB directed that expansion of capacity already planned but not yet actually set in motion be completed as soon as possible.

In the case of magnesium, existing plans call for expansion of production by approximately 364,000,000 pounds per year.

In aluminum, existing plans call for an increase in production of 600,000,000 pounds per year. Negotiations for the building of the new capacity are progressing well, SPAB announced, and emphasis will be placed on getting the new plants built and into operation as quickly as possible.

Would cut unnecessary uses of copper

Expansion of copper production was called for through a broad campaign designed both to increase the available supply and to reduce the demand for the metal. SPAB estimated that between 250,000 and 350,000 tons could be saved annually by cutting down on unnecessary uses, and instructed the executive director to seek to bring that reduction into effect. It also ordered a study of plans to increase domestic production through a variety of methods for getting greater production out of existing American mines.

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MATS OF CHARTS

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SPAB defers application for plates for pipe line; believes some tubing available

The Supply Priorities and Allocations Board announced September 16 that it had received formal application for a priority rating to construct the "national defense pipeline" from New York to Texas, and that after careful consideration it had reaffirmed its previous decision that no plan involving the immediate use of steel plate can be considered.

Steel plate is vitally needed for the construction of ships, and SPAB took the position that it is more important in this emergency to provide for ship construction than to insure plenty of gasoline for pleasure driving on the Eastern seaboard.

Attitude more favorable on tubing

Ralph K. Davies, deputy oil administrator, appeared before SPAB at its meeting September 15 to present the application for priorities on the needed materials—approximately 180,000 tons of steel plate and 190,000 tons of seamless steel tube.

Informing Mr. Davies that steel plate cannot be spared, the Board took a more favorable attitude in regard to the use of seamless tubing. Billets from which the tubing is extruded are not under as heavy demand as steel plate, and studies

have indicated that it would be possible to produce enough tube for at least part of the pipeline without upsetting defense requirements if production schedules were properly adjusted to defense contracts in the tube mills.

OPM to make study

SPAB requested the Office of Production Management to make a further study of the project to determine whether, if sufficient seamless tube is released, the necessary pumps, valves, motors and other accessories can be produced fast enough to be ready for use when the tube is ready.

The Board also agreed that if permission is given to construct the pipeline out of seamless tube, the situation in regard to plate will be reviewed by SPAB next spring.

At its previous meeting SPAB had considered the general subject of the pipeline, and in the absence of any formal application for a priority rating had voted as a matter of policy not to permit the diversion of steel plate for pipeline construction. The September 16 action constituted a reaffirmation of that stand and a formal notification to the Deputy Oil Administrator that priorities for steel plate could not be granted.

Aid announced for makers of aircraft accessories

Priorities Director Nelson announced September 17 Preference Rating Order P-52, which will be used to extend priority aid to certain manufacturers of aircraft instruments and accessories.

The rating to be received by a manufacturer of aircraft accessories, covering deliveries to him of material which will be physically incorporated in his finished product, or which is necessary to its manufacture, will be based on the recommendation of the Army and Navy Munitions Board.

The preference rating assigned may be extended by the producer to his suppliers by executing a copy of the order; i. e., by signing the acceptance and filing it with the Aircraft Section, OPM, and furnishing one additional signed copy to each of his suppliers.

A supplier wishing to extend the rating to his sub-suppliers may do so in the same fashion.

British management-labor mission's itinerary announced

The Office of Production Management announced September 16 the itinerary of the joint management-labor mission representing the British Government, in this country at OPM's invitation to study United States industrial methods and relationships.

The eight members, four labor representatives and four management representatives, will visit principal centers of defense production and confer with leaders of industry and labor.

THE ITINERARY

September 18—Washington (Luncheon with OPM); September 19—Philadelphia; September 20—Philadelphia and Camden; September 21 and 22—Pittsburgh; September 23—Buffalo; September 24—Cleveland; September 25, 26, 27—Detroit; September 28, 29, 30—Chicago and vicinity.

October 1—Milwaukee; October 3—Denver; October 6, 7—Los Angeles; October 8—San Diego; October 9—San Francisco; October 11, 12, and 13—Seattle; October 15—Indianapolis; October 16—Cincinnati; October 18-19—Washington; October 20—Baltimore; October 21-22—New York.

Over 6¼ of 7 billion Lend-Lease dollars allocated, President says in second report

Following are excerpts from the President's message to Congress, September 15, accompanying his second report on activities under the Lend-Lease Act:

I am submitting this report pursuant to section 5 (b) of the Lend-Lease Act of March 11, 1941, which provides that the President report to the Congress every 90 days on the operations under that act.

The Lend-Lease Act was passed by the Congress just 183 days ago. One hundred and sixty-seven days ago the Congress appropriated \$7,000,000,000 to carry out our national policy of giving every possible material assistance to the countries resisting aggression.

The effective expenditure of this large sum in furtherance of our announced policy has presented tasks of large proportions. We have surveyed the needs of the countries we are aiding. We have correlated this program of aid with the procurement programs of our own Army and Navy. We have arranged with our industries for the production of the great quantities of material involved.

The War Department, the Navy Department, the Treasury Department, the Agriculture Department, and the Maritime Commission are the agencies principally charged with the actual procurement of the supplies. They are now far along with their task.

Over six and one-quarter of the \$7,000,000,000 appropriated have now been allocated, upon the recommendation of these agencies, for specific materials and services. Their procurement machinery has been constantly at work, locating producers and placing contracts. Over three and one-half billion dollars of legal commitments have already been made. Contracts will soon be placed for the entire \$7,000,000,000 appropriation.

Contracts have been placed and work has started on nearly a billion dollars of bombardment aircraft. New ways have been started and work is in progress for about one-half a billion dollars of new merchant shipping. New facilities to speed the production of guns, ammunition, and other defense articles have been started under contracts totaling about \$262,000,000. Over \$430,000,000 has been allocated, and over \$250,000,000 has been obligated, for the purchase of milk, eggs, and other agricultural products.

Aid growing daily

Daily the aid being rendered is growing. Through the month of August the total dollar value of defense articles transferred and defense services rendered, plus expenditures for other lend-lease purposes, amounted to \$486,721,838.

Food and steel and machinery and guns and planes have been supplied in increasing quantities. Agricultural commodities worth \$110,606,550 have been transferred to the countries we are aiding. We have transferred to the United Kingdom more than 44,000,000 pounds of cheese, more than 54,000,000 pounds of eggs, more than 89,000,000 pounds of cured pork, more than 110,000,000 pounds of dried beans, and more than 114,000,000 pounds of lard. We have transferred to them more than 3,000,000 barrels of gasoline and oil. We have sent them many tanks. Merchant and naval ships and other transportation equipment are being transferred in growing amounts.

A substantial number of cargo ships and tankers have been chartered to the use of those countries whose defense is vital to our own. Our yards are repairing allied merchant ships. We are equipping allied ships to pro-

tect them from mines; and we are arming them, as much as possible, against aircraft, submarines, and raiders.

Wide range of technical help

We have also, by repairing and outfitting their warships, helped the British and allied navies keep clear the vital sea lanes upon which depends continued resistance to Axis piracy. The repair of the battleship *Malaya* and the aircraft carrier *Illustrious* are outstanding examples of this naval assistance.

Over the whole range of technical and material assistance required by modern warfare we are, under the lend-lease program, rendering effective help. Important defense information is being supplied to Britain and the

HIGHLIGHTS

of President Roosevelt's second message on Lend-Lease activities:

ALLOCATIONS: Over 6¼ billion dollars of the 7 billions appropriated.

COMMITMENTS: Over 3½ billion dollars.

BOMBER CONTRACTS: Nearly a billion dollars.

AGRICULTURAL PRODUCTS transferred: Value, \$110,606,550.

AIDED: Britain, China, Dutch East Indies, Poles, Dutch, Norwegians, Greeks, Belgians, Yugoslavs.

other nations fighting the Axis Powers. Our technicians are instructing the Allies in the assembly, operation, and maintenance of the tools coming from our factories. Across the United States and across Africa our plane ferry service is linking the arsenals of America with democracy's outposts in the Middle East. On our airfields thousands of British pilots are being, and will continue to be, trained, and already we are preparing a similar program to help the Chinese.

We have supplied equipment for the Yunnan-Burma Railroad and for the Burma Road in order to speed the flow of arms and materials to the heroic Chinese people. In addition to materials of war we are furnishing China with medicine and technical assistance to fight the ravages of malaria. A military mission has also been dispatched to China in connection with the supplying of lend-lease aid.

Must step up production rate

The \$7,000,000,000 appropriated for purchasing defense articles has been available less than 6 months, and actual transfers from these funds have necessarily been limited to articles which could be purchased in a finished state or produced in that time. The speed with which future lend-lease transfers will be made depends largely on the speed with which our industries deliver the goods. The rate of our production must be accelerated, and every step to achieve that end must and will be taken.

These lend-lease deliveries are not, of course, the only materials which have been moving from our shores to the countries resisting aggression. Prior to the Lend-Lease Act, large contracts were placed here by Great Britain and by other countries from

their own resources. Deliveries under these contracts are moving across the sea along with lend-lease articles. The true measure of the volume of war supplies moving from our shores is reflected in our total exports. Thus, since the beginning of the war, about \$4,400,000,000 worth of goods have been exported to the British Empire.

The British Empire has received the bulk of our aid. But we have also extended assistance to the many other countries engaged in the same struggle. China and the Dutch East Indies are receiving ever-increasing quantities of supplies. The exiled governments of the countries under the Nazi yoke are sharing in the program. We are already outfitting Polish troops who are training in Canada for action overseas. We are also providing, directly or indirectly, aid for the Dutch, the Norwegians, the Greeks, the Belgians, and the Yugoslavs. We know that every group which yields to or collaborates with the Nazis makes our own defense that much more difficult. Likewise each group that resists Nazi aggression helps to keep the war from our own hemisphere.

Western Hemisphere defense a prime factor

The defense of the Western Hemisphere has been a prime consideration in our lend-lease program. Not only are we helping the European countries which stand athwart the Nazi path toward the Western Hemisphere, but we are also giving direct lend-lease aid to the countries of this hemisphere. We are strengthening Iceland, where our troops and ships now stand guard over the approaches of the North Atlantic, and we have already embarked upon a comprehensive program of material aid to the countries of Central and South America to strengthen the common defense of our good neighborhood.

The gallant resistance of the Russian people has been of enormous help to all peoples resisting the Nazi war machine. It has completely upset the Nazi time schedule and has destroyed the myth of Nazi invincibility. We are using the energies of our Government to make available supplies which are urgently needed by Russia. By speeding deliveries and by arranging the quickest transportation of American materials, we are moving to strengthen the important Russian front. The Soviet Government's purchases here are being made with its own funds through its regular purchasing agency.

The people of the United States know that we cannot live in a world dominated by Hitlerism. They realize that there can be no real peace, no secure freedom, until we have destroyed the evil forces which seek to work us woe. Through their chosen representatives, they have declared a firm and unalterable policy to build up an impregnable defense for this hemisphere, and to furnish unstinted material aid to the countries fighting against Nazi aggression and tyranny.

Not an act of charity

We are not furnishing this aid as an act of charity or sympathy, but as a means of defending America. We offer it because we know that piecemeal resistance to aggression is doomed to failure; because the ruthless war machine which now bestrides the continent of Europe can be combated only by the combined efforts of all free peoples and all strategic points where the aggressor may strike.

The lend-lease program is no mere side issue to our program of arming for defense. It is an integral part, a keystone, in our great national effort to preserve our national security for generations to come, by crushing the disturbers of our peace.

Planes, tanks, guns, and ships have begun to flow from our factories and yards, and the flow will accelerate from day to day, until the stream becomes a river, and the river a torrent, engulfing this totalitarian tyranny which seeks to dominate the world.

PRIORITIES . . .

Priority aid to be granted for 200,000 privately financed defense housing units

Details of a broad plan to grant priority assistance for the construction of 200,000 privately financed defense housing units were announced September 19 by Priorities Director Nelson following approval of the plan in principle by the Council of the Office of Production Management. The order implementing the plan was to become effective September 22.

The new procedures, worked out by OPM officials in collaboration with Charles F. Palmer, Defense Housing Coordinator, will assure priority aid for 200,000 privately financed homes for defense workers. Other arrangements have already been made for granting priority assistance to 100,000 publicly financed units.

Projects under way put first

To expedite the building of essential defense housing, project preference ratings will be granted. The highest rating of those to be available for housing will be assigned to defense projects which were already under construction on September 1, 1941, and for remodeling and rehabilitation, which create living accommodations for additional defense workers. Lower ratings will be granted to new construction for rent, and a still lower rating for new construction for sale. All defense housing ratings, however, will be in the defense, or A class. Certificates of rating will be extended in the field for privately financed projects by the field offices of the Priorities Division, upon the recommendation of the Defense Housing Coordinator.

Single rating for scarce materials

By the use of project ratings, the Division of Priorities can assign one rating which can be used to secure delivery of scarce building materials (which appear on the Defense Housing Critical List), and which will go into any one defense housing project.

A list of defense areas has been developed in which there is an acute shortage of housing for defense workers. Defense housing within these areas, both public and private, may be granted priority assistance.

The Defense Housing Critical List includes a number of materials, products,

and items essential to housing construction. The project ratings will apply only to items which appear on the list, and in such quantities as the Director of Priorities authorizes.

FHA offices to take applications

To obtain a preference rating for defense housing projects, the private builder should file an application with the local office of the Federal Housing Administration. The Director of Priorities is making this use of the facilities of the FHA as a ready means of immediate assistance. This special service of the FHA is completely divorced from and has no connection with its underwriting activities as a mortgage insurance agency. Copies of the application form may be obtained from these offices, or from local home financing institutions.

To qualify for the priority assistance extended under the new plan, construction must be confined to family units of a value not in excess of \$6,000, if for sale, or for which the monthly shelter rental does not exceed \$50. These figures represent top prices for housing to receive assistance under the plan. Construction in lower brackets to meet the economic situations of workers in different categories will be encouraged, and it is expected that in most cases the costs involved will be substantially lower. Exception to the limits set will be permitted only in special circumstances.

No application for aid will be considered by the priorities officials until it has been demonstrated that the homes involved are designed for and are readily available to defense workers, at prices within their reach and at locations convenient to their employment, and that the dwellings conform to minimum standards as developed by the Defense Housing Coordinator. It must also be demonstrated that such housing is being, or will be, built in such a way as to use minimum quantities of scarce materials.

Before any specific privately financed project can be given a rating, it must qualify as defense housing and be approved by the office of the Defense Housing Coordinator.

When this has been done, and the Defense Housing Coordinator has recommended a project, a rating may be as-

signed in the field by the Priorities Division to the particular job involved on a project rating form.

This rating will be given to the builder of private housing. The builder can extend the rating by executing (signing) a copy of the order and serving it on his suppliers. The suppliers in turn can extend the rating to their own suppliers in the same way.

The decision to give preferential status to defense housing—thus putting homes for workers ahead of other homes—was announced originally some weeks ago. The plans announced September 19 constitute steps to put the program into effect.

With the impact of the defense program upon the national economy, housing operations in every field have been affected by the shortages in the products manufactured from critical metals, without which livable housing cannot be produced.

Copper, for example—used for wiring, roofing, gutters and plumbing supplies—has become increasingly tight. Zinc—used for galvanizing—is also short. Steel and iron products also have been subject to delayed deliveries, and the materials used in hardware are likewise scarce. These difficulties, of course, have been due to the greater need of armament for national defense.

Workers are essential too

Yet plants manufacturing tanks, guns, shells, and other essentials of national defense, cannot be operated, and ships cannot be built without workers, and workers must have places to live. The production of housing has been in competition with the production of other defense essentials, and was delayed because the scarce materials needed for both were diverted by priorities from housing into other uses.

Because of this, a decision had to be made to regulate the flow of critical materials to insure the necessary supply for housing.

The construction of new defense plants and the development of new industrial areas have shifted the centers of employment.

This makes it necessary to provide new, adequate, and convenient housing for workers—close to the job—even if this means additional difficulties for the construction of other residential housing not essential to the success of the national defense program.

Order gives vital utilities A-10 rating for maintenance, repair, operating supplies

A maintenance, repair and supplies order designed to help thousands of public utilities in the Nation was issued September 17 by Priorities Director Nelson.

The new order permits utilities covered by the plan and their suppliers to use an A-10 rating to facilitate deliveries of maintenance and repair materials and operating supplies which are vitally needed for defense and essential public services.

Services affected

Utilities which may use the new order are those engaged in one or more of the following services:

- (1) Supplying electric power directly or indirectly for general use by the public.
- (2) Supplying gas, natural or manufactured, directly or indirectly for general use by the public.
- (3) Supplying water directly or indirectly for general use by the public.
- (4) Public sanitation services, but not including manufacturers of public sanitation products.
- (5) Supplying central steam heating directly or indirectly for general use by the public.

Three classes of materials

The A-10 rating can be used by the utility or by the supplier—subject, of course, to the limitations of the order—to obtain three classes of material:

- (1) Maintenance material—needed for the upkeep of property and equipment in sound condition.
- (2) Repair material—needed for restoration of property and equipment to sound condition after wear and tear, damage, destruction or the like.
- (3) Operating supplies—material essential to the operation of the utility involved and which is generally carried in the company's stores and charged to operating expenses.

The rating assigned by this order cannot be used for plant expansions or new improvements, or for expansion of the service area of the utility. However, the rating may be used in some cases to provide for connections for new consumers to the existing utility system and also for materials needed to relieve serious overloads.

A producer before using the preference rating to expedite deliveries, must execute two acceptance blanks attached to the order (P-46) and must file one executed copy of the acceptance with the

Power Branch of the Office of Production Management, retaining the other copy. Suppliers, however, must not execute the acceptances.

The producer or his supplier, in order to apply the preference rating, must endorse on his purchase orders the following statement:

"Purchase order for utilities operation, maintenance and repair, preference rating A-10, pursuant to Preference Rating Order No. P-46."

If this procedure is followed in accordance with the terms of the order, the endorsement on purchase orders will put the preference rating into effect.

Inventory provisions

The order includes provisions to keep producers' inventories at practical working minimum levels. The order also includes certain provisions of a technical nature designed to restrict purchases and withdrawals from inventories to certain 1940 levels, except when special circumstances are involved.

The new order is designed especially to cover problems which have arisen in the utilities field and includes a number of technical provisions designed especially for utility problems. *The order itself, therefore, must be read carefully by all those affected by it.*

Load greater, materials scarcer

The impact of the defense program has caused serious shortages in many materials and supplies used by utility companies and has also greatly increased the load on their facilities. A number of companies have experienced difficulty not only in obtaining supplies for new work but also in obtaining materials for repair and maintenance work.

It is essential to set up a system so that the utility companies covered—publicly and privately owned—may keep their facilities and systems in good running order. The present plan is designed to do that, but does not, of course, include any provisions for expanding operations or for new operations.

The order contemplates that the Director of Priorities will, in the near future, certify specific quantities of materials to which the rating may be applied by the utilities to whom the rating has been assigned.

In connection with this, utility companies will be required to file reports on inventory and other information on which the certification may be based.

A-10 rating granted to makers of textile machine repair parts

Because of the great importance to the defense program and to civilian welfare of the continued effective operation of textile mills, Priorities Director Nelson announced September 16 Preference Rating Order P-53, granting the assistance of an A-10 rating to manufacturers of maintenance and repair parts for textile machinery.

The manufacturer of such parts should make application for the rating upon Form PD-88, which should then be mailed to the Textile Branch, Office of Production Management, Washington, D. C.

Rating can be extended

After the producer has received a preference rating under the Textile Machinery and Equipment Maintenance and Repair Order, his suppliers may in turn require the assistance of a rating to make possible their deliveries to the producer. At the time of filing his application, the manufacturer should state the number of copies of the order which he desires to have furnished to him, so that he may apply the rating to deliveries to him by his suppliers, and to enable his suppliers in turn to apply the rating to deliveries to them by their sub-suppliers. A supplier, however, may apply the rating only to material which will be physically incorporated into finished parts for maintenance and repair work. No copies of the order will be furnished by the Priorities Division directly to any supplier, or sub-supplier.

Operations at peak

Defense requirements and increased consumer purchases in the past year have resulted in peak operation of fabric manufacturing mills. Cotton spindle activity, for example, was 123 percent of capacity in July. In July 1940, the figure was only 86 percent of capacity. Normal, or "capacity," operation of a cotton spindle is 80 hours per week.

There has been a similar increase in activity of wool and worsted spindles. Wool spindle activity today is running about 50 percent higher than a year ago. Worsted spindle operation has jumped 60 percent in a year.

In 1939, there were over a half million workers in the fabric manufacturing industry—including cotton, wool, worsted, rayon, and silk—and the figure has increased substantially since then. Value of output of the industry in 1939 was close to 2 billion dollars. According to the Census of Manufacturers, there were 2097 plants operating during the year.

Alloy steel, alloy and wrought iron under added regulations

A supplementary order providing additional specific regulations over alloy steel, alloy iron and wrought iron was issued September 16 by Priorities Director Nelson.

The new order is Supplementary Order M-21-a. The M-21 order is the one which provides full priority control over steel products.

Alloy steel of all kinds is already subject to priority control under the terms of General Preference Order M-21. However, the present order includes a definition of alloy steel and alloy iron and specifically authorizes the Director of Priorities to issue directions to any producer as to deliveries he may make or the kinds of alloys he may produce.

The order stipulates that deliveries under toll agreements—now in effect or to be entered into—must be specifically authorized by the Director of Priorities.

The supplementary order also revokes General Preference Order M-5, Supplementary Order M-5-a, and Supplementary Order M-5-b, all relating to nickel-bearing steel which is now included under orders M-21 and M-21-a.

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Preferences authorized to help ships build repair inventory

An amendment to Division Administrative Order No. 7, which permits the United States Maritime Commission to assign preference ratings in certain cases when material involved is to be used for Maritime purposes, was announced September 16 by the Division of Priorities.

The amendment, technical in nature, permits the Maritime Commission to establish and assign preference ratings to deliveries of material for inventory purposes and emergency repairs, to ship chandlers and ships in service.

The original administrative order did not refer to ship chandlers and ships in service. However, a large percentage of repair materials for merchant ships is obtained from ship chandlers and many repairs are carried out on shipboard so that ships in service must maintain a repair inventory so as to be able to make repairs at sea. Ship chandlers and ships in service have been having difficulty in obtaining necessary repair materials and for that reason it has been decided to permit the Maritime Commission to assign ratings in these cases, as well as in other cases already provided for.

A-1-a rating given mines for emergency repairs, A-8 for supplies, maintenance

A maintenance, repair, and supplies plan which will help approximately 15,000 mines to boost their production for defense was announced September 18 by Donald M. Nelson, Director of Priorities.

The order permits mining companies to use a rating of A-1-a—the highest defense rating—to expedite deliveries of materials needed for emergency repairs.

A rating of A-8 may be used by mine operators and their suppliers to obtain material required for emergency inventory purposes or for operating supplies or for ordinary maintenance work.

State officials to help

A special plan has been developed to administer and operate the order. The Governor of each State has been asked to designate a State official, preferably an official dealing with mining operations, to help administer the order in his State.

It is expected that the State official in each case will be known as the Emergency Coordinator of Mines. This official will submit to the OPM a list of the active mines in the State. He will also receive in his office each month a list of all purchases made under the terms of the order by the mines, and he will report any excessive purchases or irregularities to the OPM for investigation.

After consideration of the lists submitted by the Emergency Coordinator in each State, the Priorities Coordinator for Mines will assign serial numbers to all mines approved.

Method of use

Dr. Wilbur A. Nelson, Priorities Coordinator for Mines in the Office of Production Management, will administer the order.

Purchases made by mines for repair parts, maintenance items, and operation supplies will carry an endorsement on the purchase order certifying that the purchases are made under the terms of the new order, P-56. No special forms are required in connection with the application of the rating to deliveries.

Suppliers of mining operators can extend the rating by a simple endorsement and a reextension can be made to other suppliers in the same manner.

A mine operator or a supplier in order to apply the A-8 rating, must endorse a statement on the original and all copies of each purchase order for material to be used for the purposes specified, certi-

fying that the order is placed in accordance with the terms of the new plan.

A mine operator before he can apply the A-1-a preference rating for emergency repairs must first ask permission by telephone, telegram, or letter from the Priorities Coordinator for Mines. Telegram authorization by the Coordinator will be sufficient to permit purchase of the necessary materials under the emergency A-1-a rating.

About 15,000 mines eligible

Around 15,000 mines of all kinds will be eligible for inclusion. Gold placer mines are excluded, but other placer, dredge or hydraulic mines producing products other than gold are included. Open pits and strip mines are included, and this will include producers of many building materials.

The order includes provisions to restrict inventories to proper levels.

It also includes a provision saying that every person affected by the order shall make every effort to conserve critical materials by conservation, simplification, standardization, or any other program developed by the Office of Production Management. The Director of Priorities may from time to time issue specific directions as to conservation and standardization practices. The Provisions of Preference Rating Order P-22 (the general repairs order for essential industries) are revoked insofar as they relate to mines.

(NOTE.—In an order filed in the "FEDERAL REGISTER" it was stated that a rating of A-3 could be used for repair and maintenance orders by the mines. This is incorrect. The proper rating is A-8 and an order so stating will be issued shortly.)

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Repair plan interpreted

An interpretation of the repair plan for essential industries announced on September 9 was issued September 15 by Priorities Director Nelson.

The interpretation applies in the case of an organization which has two or more plants, not all of which fall within the classification of essential industries which may use the repair plan.

In such a case, the interpretation says, the special preference rating may be used to get repair materials only in those plants which fall within the classifications set forth in the original order.

CIVILIAN SUPPLY . . .

December passenger autos cut 48.4 percent below same month of 1940

December production of passenger automobiles will be curtailed 48.4 percent below last December's output to conserve scarce materials for national defense, the Office of Production Management announced September 15.

The announcement was made at a meeting of the automotive defense industry advisory committee and labor representatives with Leon Henderson, Director of OPM's Civilian Supply Division, and officials of other interested Government agencies.

Manufacturers will be allowed to produce 204,848 passenger cars during December, compared with 396,823 during December last year.

Taken together with a 26.5 percent curtailment ordered previously for August, September, October, and November, this means an over-all curtailment of 32.2 percent during the first 5 months of the model year that began August 1. Production for the 5-month period will be 1,023,217 cars, compared with 1,510,167 during the same time last year.

51.5 percent cut for large companies

The December curtailment will average 51.5 percent for the larger companies—General Motors, Chrysler, and Ford—while only 15.3 percent for the other companies—Studebaker, Hudson, Nash, Packard, Willys-Overland, and Crosley. The small average percentage of reduction for the other companies is due to the fact that Crosley is being allowed to assemble a considerable number of cars for which parts have long been fabricated and to the further fact that Hudson and Willys-Overland had unusually low production in December last year.

The increased curtailment for the industry as a whole during December is timed to coincide with increased need for automobile workers in aircraft engine and other defense plants. Representatives of labor, management, the OPM, the armed services and local officials are working together to transfer displaced workers to defense jobs in a swift and orderly manner, to protect their seniority rights, to give preference in hiring to those displaced, and to give special consideration in the placing of defense

contracts to communities threatened with severe dislocations.

As part of this effort, a meeting was held September 15 in Kenosha, Wis., designed to provide defense work for displaced workers and to arrange for their registration, retraining and reemployment.

PASSENGER CAR QUOTAS

December 1941 as compared with production in December 1940 (for nonmilitary use)

	Allo- tments, Decem- ber 1941	Produc- tion, Decem- ber 1940	Percent- age de- crease in allot- ments
General Motors Co.:			
Chevrolet.....	45,180	92,657	51.2
Buick.....	16,402	33,505	51.1
Pontiac.....	14,358	27,629	48.0
Oldsmobile.....	11,753	23,924	50.9
Cadillac.....	2,874	6,424	55.3
Total, General Motors Corporation..	90,567	184,139	50.8
Chrysler Corporation:			
Plymouth.....	25,184	49,146	48.8
Dodge.....	11,863	24,776	52.1
Chrysler.....	6,028	15,510	61.1
De Soto.....	4,196	9,716	56.8
Total, Chrysler Corporation..	47,271	99,148	52.3
Ford Motor Co.:			
Ford.....	32,307	65,844	50.9
Mercury.....	4,426	10,777	58.9
Lincoln-Zephyr.....	1,276	2,688	52.5
Total, Ford Motor Co..	38,009	79,309	52.1
Total, General Motors, Chrysler, and Ford..	175,847	362,596	61.5
Other motor companies:			
Studebaker.....	8,834	10,823	18.4
Hudson.....	6,476	5,148	25.8
Nash.....	5,500	10,001	45.0
Packard.....	5,771	7,401	22.0
Willys-Overland.....	1,944	819	137.4
Crosley.....	476	35	1,260.0
Total, other companies.....	29,001	34,227	15.3
Grand total.....	204,848	396,823	48.4

The possibility of placing additional defense work in Flint, Mich., and other automobile centers is also being investigated thoroughly.

Announcement was made at the meeting with the automotive industry committee that production of light trucks (those less than 1½ tons) for nonmilitary purposes would be curtailed 9 percent during the 4-month period of August, September, October, and November. This means that approximately 87,000 light trucks may be produced for civilian use during the 4 months, compared with about 96,000 during the same period last year. Exact quotas by companies have not yet been worked out.

If OPM allows this light truck production rate to continue for the full model year, a question to be decided subsequently on the basis of the material situation then prevailing, the yearly production for civilian purposes will amount to 261,000, compared with 370,000 in the last model year, or a reduction of 30 percent.

Much of the facilities released by the light truck curtailment may be shifted to production of light military vehicles.

Priorities action

Donald M. Nelson, Director of the Priorities Division, issued September 15 a General Limitation Order putting the light truck curtailment into effect. At the same time he issued another General Limitation Order giving legal effect to the passenger car curtailment announced on August 21 for the months of August, September, October, and November.

Total production of light, medium and heavy trucks during the current model year is expected to be substantially in excess of last year's, due to vital transportation and military needs.

Manufacturers of heavy motor trucks, medium trucks, truck trailers, certain passenger carriers, and replacement parts for these vehicles have been granted a preference rating of A-3 to help them obtain materials.

The committee was told also that the Priorities Division is preparing a preference rating order to aid manufacturers in obtaining materials for replacement parts for passenger cars and light trucks.

Materials for trim to be limited

Officials informed the committee that passenger car manufacturers would be requested shortly to discontinue the use of critical materials in nonfunctional

parts, such as trim, by a date to be designated later.

The priorities assistance to be given manufacturers of replacement parts for passenger cars and light trucks will not only help to maintain essential transportation service but will assist the automobile dealers, enabling them to increase operations of their service departments.

Almost 2,000,000 of the 4,500,000 trucks now on the highways are in the light truck class. Farmers, who own the largest number of these vehicles, use them to haul livestock, vegetables, poultry and dairy products to market. Public utility companies rely almost exclusively on light trucks to haul crews and equipment for the repair of power and telephone lines. Daily distribution of newspapers, groceries, bakery products, and department store goods within cities depends largely on light truck transport. Milk also is delivered by light trucks in most cities.

Quotas based on last 3 years

The passenger car allotments for December were determined and distributed among the parent companies on the basis of their production during the last three model years.

Although the August allotments totaled more than actual production during the same month last year, this will be offset by the allotments for September, October, and November and the curtailment for this 4-month period as a whole will amount to 26.5 percent as announced on August 21. The December quotas announced September 15 will bring the over-all curtailment for 5 months to 32.2 percent.

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Railroads' coal stock pile reaches 8,066,000 tons

To lighten transportation demands for coal shipments during the fall and winter peak period, the Nation's railroads have built a stock pile of coal which on September 1 had reached 8,066,000 tons, OEM Transportation Commissioner Budd announced September 15.

On September 1 last year, the coal stock pile was 5,654,000 tons.

The Advisory Commission to the Council of National Defense urged in May that railroads build a stock pile of coal during the summer, on the recommendation of Commissioner Budd.

Anthracite men to consult OPA on any rise over September 15 price; ceiling revoked

Leading Pennsylvania anthracite producers at a conference September 17 with OPA Administrator Henderson, agreed not to take any further action relative to price advances following that of September 15, without prior consultation and approval of OPA. After the meeting, Mr. Henderson announced the revocation of emergency price schedule 27, fixing the prices of anthracite coal at levels prevailing on August 15. This action was taken following the submission of full and comprehensive data supporting the price advance.

The emergency ceiling was imposed on September 12, when members of the industry failed to supply information for individual companies supporting the proposed September 15 increase.

Henderson issues warning

Leading anthracite producers had increased prices on September 15, the effective date of the ceiling, in violation of the price schedule. Mr. Henderson stated that he had made clear to the members of the industry that such action

represented a wholly unjustifiable act of defiance and one that would not be tolerated in the future.

"I cannot condemn such arbitrary action too strongly," Mr. Henderson stated. "If followed by other industries it would threaten the whole basic structure of price stabilization."

Effort to cooperate promised

The mine operators present at the meeting stated that in the future they would make every effort to cooperate with the Office of Price Administration. Attending the meeting were:

C. F. Huber, president, Glen Alden Coal Co.; F. W. Leamy, vice president, The Hudson Coal Co.; Donald Markle, president, Jeddo-Highland Coal Co.; J. B. Warriner, president, Lehigh Navigation Coal Co.; L. R. Close, president, The Lehigh Valley Coal Co.; H. J. Connolly, president, Pennsylvania Coal Co.; C. W. Stone, sales manager, Susquehanna Collieries Co.; R. E. Taggart, president, The Philadelphia & Reading Coal & Iron Co.

18 named to waste materials dealers' advisory committee

Appointment of 18 men to the waste materials dealers defense industry advisory committee was announced September 17 by the Bureau of Clearance of Defense Industry Advisory Committees.

Members were selected by Paul C. Cabot, Government presiding officer of the committee, after a meeting with members of the industry on September 3.

The committee is as follows:

Nat. C. Myers, Myers-Lipman Wool Stock Co., Inc., New York City; Milton Linden, Glaser-Yoffee, Inc., Chelsea, Mass.; Ben Chapman, J. Chapman & Sons, Chicago; Harry Goldstein, L. Goldstein & Sons, Philadelphia; Joseph H. Tyroler, Tyroler Metals, Inc., Cleveland; George Birkenstein, George Birkenstein Corporation, Chicago; David Dickson, Penn Paper & Stock Co., Philadelphia.

Sam Hershman, I. Hershman & Co., Inc., New Haven, Conn.; J. V. Spachner, Pioneer Paper Stock Co., Chicago; Edward B. Friedlander, The Lowenthal Co., Chicago; Herman Muehlstein, H. Muehlstein & Co., Inc., New York City; Erwin M. Desser, Desser Tire & Rubber Co., Los Angeles; Joseph Schapiro, S. Schapiro & Sons, Inc., Baltimore; A. J. Levine, A. Edelstein & Sons, Toledo; A. Nicoletti, D. Benedetto, Inc., New York City; Edward Solomon, Max Solomon Co., Pittsburgh; Frank A. Alter, Harry Alter & Sons, Davenport, Iowa; Benjamin Schwartz, Schiavone-Bonomo Corporation, Jersey City, N. J.

Mrs. Evans to head Consumer Relations

Appointment of Mrs. May Thompson Evans as chief of the Consumer Relations section, Consumer Division, Office of Price Administration was announced September 18 by Miss Harriet Elliott, Associate Administrator of OPA.

Mrs. Evans will direct the work of the consumer relations staff in securing consumer cooperation in the total defense effort, interpreting the OPA program to the consuming public, assisting adjustments in daily buying and living habits made necessary by the defense program, and in securing direct knowledge of consumer problems and reactions as a basis for Government policy and action.

Mrs. Evans comes to OPA from the Office of Civilian Defense where she served as a special assistant on civilian volunteer service and consulted with defense councils and civic and professional organizations on national defense activities.

Previously, she was director of the North Carolina Employment Service and State director of the National Reemployment Service.

PRICE ADMINISTRATION . . .

Ceiling set on 12 classes of ethyl alcohol in lots of 500 gallons or more

Maximum prices approximating the levels that have generally prevailed during the third quarter of the current year are imposed on 12 leading classifications of ethyl alcohol, an indispensable raw material to the defense program and civilian industry, in a schedule announced September 17 by OPA Administrator Henderson.

A top price of 24½ cents a gallon "at works" is set for "Specially Denatured 2B," the basic formula among the 12 classifications covered, in tank car lots in Eastern territory. Differentials are established for the 11 other formulae.

In the past 12 months the tank car price of ethyl alcohol "SD2B" has risen from 20½ cents to 24½ cents a gallon and is threatening to increase still further. On August 30, Mr. Henderson requested the trade not to increase the prices of industrial solvents, including ethyl alcohol, above the level of July 29, 1941, without prior consultation with his office.

Majority complied with request

The majority of producers and dealers adhered to this request, but, unfortunately, a number of small transactions took place at considerably higher prices. One of the largest producers quoted a price of 49 cents a gallon for the "SD2B" formula in connection with a proposed defense order, while another manufacturer added 5 cents a gallon to his price for the same type.

Supplies of ethyl alcohol are not sufficient to satisfy demands of the defense program and civilian industry. Further price increases under these circumstances can only be inflationary in character, OPA held.

A conference was held with members of the industry on September 12, 1941, at which OPA was assured that the 24½-cent per gallon price on the "SD2B" formula was the list price quoted by the great majority of producers during the third quarter and one which they planned to continue through the final quarter of 1941.

Enters into scores of defense products

Ethyl alcohol enters into scores of products now being made under the defense program, including such vital materials as smokeless powder, cordite, anti-

freeze, and drugs. There is scarcely any branch of civilian industry which does not use ethyl alcohol, directly or indirectly, in the manufacture of innumerable articles of commerce.

"Completely denatured" alcohol, of which three formulae and one proprietary type are covered by the schedule, is ethyl alcohol fully denatured for general use and is sold mainly for anti-freeze purposes.

"Specially denatured" alcohol is ethyl alcohol suitably denatured for use as a raw material for chemical and other manufacturing operations.

Applies to lots of 500 gallons or more

Most of the ethyl alcohol used by industry is manufactured by the fermentation of blackstrap molasses, a byproduct of cane sugar mill operations. Grain is another source of ethyl alcohol, while large supplies also are obtained synthetically from gases produced in the "cracking" of petroleum.

The ceiling prices apply only to transactions in quantities of 500 gallons or more and manufacturers are required to file monthly with OPA sworn statements that all such sales during the preceding calendar month were made in compliance with the schedule. Maximum prices are computed on the basis of tank car lots in Eastern territory and premiums are stipulated for smaller quantities. The addition of 4 cents a gallon is permitted in computing prices in Pacific territory.

OPA to watch small sales

While the price schedule does not extend to quantities of less than 500 gallons and does not formally apply to jobbers, dealers, and other middlemen, Mr. Henderson stated, OPA will keep a careful watch over all such transactions. Producers and sellers are requested not to alter or amend to the disadvantage of their customers any of the prices, discounts, terms of trade, etc., which prevailed during the third quarter of 1941.

Buyers are urged to report to OPA any substantially unfavorable revisions that producers or sellers attempt to impose as compared with the prices, terms, and conditions laid down in price lists in effect during the third quarter of the current year.

Pennsylvania crude prices to be discussed September 24

Pennsylvania grade crude oil production costs and prices will be discussed at a meeting to be held in Washington September 24, OPA Administrator Henderson announced September 18.

A schedule of maximum prices for Pennsylvania grade crude has been in effect since August 23.

The meeting, which will be in room 332, Federal Trade Commission Building, Constitution Avenue at Sixth Street NW., will be open to producers, sellers, and refiners of Pennsylvania grade crude oil and any other members of the oil trade who may be interested.

Mr. Henderson pointed out that at the time the Pennsylvania grade crude price ceiling was issued, he announced the producers would be given every opportunity to demonstrate to his office "that higher prices are justified in the public interest."

"I had hoped that precise cost data pertinent to this question would be submitted in advance of any meeting with members of the industry to permit study and analysis by my staff," the Administrator added. "Very little material has been received to date. I should like to see a substantial amount of additional information come in before the date set for the meeting.

"Obviously, any further action on Pennsylvania grade crude oil prices must be taken by OPA on the basis of adequate facts and figures submitted for proper analysis."

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Weltner named assistant director of price division

Appointment of Philip Weltner, of Atlanta, Ga., as assistant director of the price division, OPA, was announced September 16 by Leon Henderson, OPA Administrator.

Mr. Weltner, consultant to the Tennessee Valley Authority on commercial utilization of research, will handle organizational problems of the price division, and will assume responsibility for directing its work in the lumber, building materials and other important fields.

Liquidation permitted for preceiling sugar futures

Permission to liquidate futures contracts was granted September 20 to persons who established their long or short positions prior to August 14, 1941, the date on which the raw sugar price schedule became effective, in a supplement to the schedule issued by OPA Administrator Henderson. This action also validates previous liquidations of such contracts.

One of the effects of this supplement will be to enable such holders of September futures contracts to make or take delivery of actual sugar without violating the schedule. The exception also applies to contracts for other delivery months entered into prior to August 14.

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Amendment simplifies filing of priorities forms on steel

An amendment to General Preference Order M-21, making less burdensome the filing of forms by producers and purchasers of steel, has been announced by Priorities Director Nelson. The amendment makes some procedural changes.

One change permits the War and Navy Departments, and warehouses, to file reports of all orders in a single group classification placed during a single month on one PD-73, instead of filing a form at the time of placing each order. In each case, the form must be filed with the producer on or before the fifth of the following month.

Another paragraph in the amendment provides that when steel is shipped by a producer direct to a customer of a warehouse, Form PD-73 is to be filed by the customer and not by the warehouse.

In the case of export sales, the amendment calls for the filing of Form PD-73 with the Iron and Steel Branch of the OPM, as well as with the producer. The two paragraphs dealing with export sales read as follows:

On all export sales as defined in group E of Form PD-73, Form PD-73 shall be filed not only with the producer but also with the Iron and Steel Branch, Office of Production Management.

On all export sales as defined in group E of Form PD-73 (except sales to purchasers in the Dominion of Canada) where orders are placed prior to December 1, 1941, Form PD-73 may be filed by the accredited agent or export division of the producer in the United States.

Ceiling prices announced for waste paper east of Rockies, effective October 1

Acting to stabilize a seriously disturbed price situation, Leon Henderson, administrator, OPA, on September 20 fixed maximum prices for all grades of waste paper sold in the area east of the Rocky Mountains.

The maximum prices, set forth in Price Schedule No. 30, become effective October 1, 1941, and were determined after an exhaustive investigation and after numerous conferences with representatives of all branches of the trade. They are in line with the prices prevailing on June 16, 1941.

The prices established in the schedule, Mr. Henderson emphasized, are the maximum prices that consuming mills can pay their shippers at point of shipment. Prices to be paid by wholesalers, brokers, and dealers should be below these maximum prices.

Doesn't apply west of Rockies

Mr. Henderson explained that maximum prices are not being established in the area west of the Rocky Mountains because investigation has shown that at the present time no inflationary price rise is threatened in that area.

Since the effective date of the schedule is October 1, ample time is being given for the completion of existing contracts and the liquidation of inventory. For this reason, no provision was included to permit completion of contracts after October 1 at prices higher than those set forth in the schedule.

The defense effort has placed an increasing burden upon the country's waste paper supply—a burden made greater because the war has shut off the channels of trade through which wood pulp was imported. Waste paper is a basic raw material in the manufacture of containers for many types of civilian goods and war materials.

It is anticipated that the supply situation will be relieved shortly by the national waste paper conservation program and by the usual seasonal pick-up in collections during the fall months.

Voluntary program frustrated

For several months OPA has attempted, through individual voluntary price agreements, to prevent unwarranted price increases. These voluntary agreements will continue in force until the effective date of the schedule.

"The responsible dealers and mills have evidenced an admirable willingness to cooperate," Mr. Henderson said.

"This patriotic segment of the industry, however, has been unable to keep prices within those established by the agreements because of the large numbers of operators who have put high prices before national welfare, and have therefore attempted in every way and by every subterfuge to circumvent the price agreements."

The maximum prices per short ton established for all grades of waste paper f. o. b. point of shipment to mill, whether loaded on car, truck, or other means of conveyance, are as follows:

No. 1 mixed paper.....	\$13.00
Super-mixed paper.....	14.00
No. 1 baled news.....	15.00
Overissue news.....	17.00
Old corrugated containers.....	18.00
Old kraft corrugated containers.....	27.00
New corrugated cuttings.....	18.00
Box board cuttings.....	14.50
White blank news.....	33.00
Extra manillas.....	37.00
New manila envelope cuttings.....	54.00
No. 1 hard white shavings.....	50.00
Hard white envelope cuttings.....	60.00
No. 1 soft white shavings.....	43.00
Fly leaf shavings.....	33.50
No. 1 heavy books and magazines.....	31.50
Mixed books.....	20.50
Overissue magazines.....	33.50
No. 1 mixed or colored ledger.....	38.50
No. 1 white ledger.....	42.50
No. 1 assorted kraft (old kraft).....	30.00
New 100 percent kraft cuttings.....	52.00
New 100 percent kraft corrugated cuttings.....	49.00

The highest qualities of the above-listed grades are defined in the schedule.

No service charges permitted

The maximum prices take into account the baling and other costs borne by the waste paper producer, and no differentials or service charges may be added. Lower prices than those set forth in the schedule may be charged, demanded, paid or offered.

While the schedule purports to cover all grades of waste paper sold east of the Rocky Mountains, Mr. Henderson explained that in the event any claim is made that a grade has been omitted, OPA would accept an affidavit setting forth all relative data concerning the alleged omission from the person or persons making such a claim. The omission, if any, would be corrected if investigation showed that such action was justified.

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BOND SALE INCREASES

Sale of \$4,453,748 in Defense Savings Stamps during August showed an increase of 30 percent over sales for July, the Treasury Department has announced.

Byproduct foundry and furnace coke put under ceiling near present levels

Prices for byproduct foundry coke and byproduct furnace coke, important elements of cost in the manufacture of iron and steel products, are frozen at approximately current levels in Price Schedule No. 29 announced September 19 by OPA Administrator Henderson.

The new schedule will go into effect as of October 1, 1941.

Pig iron, iron and steel scrap, and semi-finished and finished iron and steel products already are covered by ceilings and the latest move is considered essential to continued stability of the iron and steel price structure.

Only byproduct foundry and furnace coke are covered by the present schedule. However, Mr. Henderson said, prompt action will be taken to establish ceiling prices for beehive, domestic or other kinds of coke, when and if it becomes necessary.

Beehive coke under study

Beehive coke, in particular, is the subject of study by OPA to determine the relationship between price and available supply. Cost changes in the industry and demand for beehive coke over the remainder of 1941 are among the principal points being looked into.

Prices of byproduct furnace coke and byproduct foundry coke are now from \$1 to \$1.25 a ton above levels prevailing a year ago.

Establishment of ceiling prices on byproduct furnace coke and byproduct foundry coke follows extensive consultation with members of the industry. The existing price structure, which, in effect, is maintained in the OPA schedule, was stated by the producers to be satisfactory and many of their suggestions as to regional differentials and trade practices have been followed.

Byproduct foundry coke is a large size, high quality coke that is used by foundries in the production of iron and steel castings. It is made from bituminous coal by the steel companies, by merchant ovens and by public utilities.

Byproduct furnace coke is used in blast furnaces which make pig iron out of iron ore and limestone. Like foundry coke, it is made by steel companies, merchant ovens, and by public utilities. At present, few producers are selling byproduct furnace coke on the open market.

Domestic coke and water gas coke are not metallurgical types and have no important bearing on the price structure of the iron and steel industry.

Maximum prices for byproduct foundry coke, F. O. B. oven in cars, range from \$8.50 to \$12.25 per net ton of 2,000 pounds, depending upon the location of the oven plant. However, the complexity of the prevailing price structure is recognized by several exceptions to the general provisions.

In order not to disturb, for the time being, existing relationships between coke producers and foundries using particular grades of coke, the schedule allows prices above the ceiling to be charged under certain conditions. To qualify under this exception the seller (1) must have received from such a foundry a price in excess of the ceiling price during the 6 months ending September 15, 1941, and (2) must file with OPA on or before September 27, 1941, a list of the foundries to which the exception applies, together with the prices at which past sales were made.

There is considerable doubt as to whether it is desirable to continue this provision as a permanent part of the

schedule. The entire matter will be studied by OPA as soon as detailed information on existing relationships of this type has been accumulated.

Some exceptions made

Any producer or buyer of foundry coke in a position to establish that the exception is causing undue hardship may apply to OPA for relief under Section 1345.6 of the schedule, which provides that "persons complaining of hardship or inequity in the operation of this schedule may apply to the Office of Price Administration for approval of any modification thereof or exception therefrom."

The maximum price, F. O. B. oven, on byproduct furnace coke, according to the schedule, shall be 75 cents per net ton above the weighted average price, F. O. B. oven, at which deliveries were made during the first quarter of 1941. The weighted average price means the average of the prices for which byproduct furnace coke was sold during the first 3 months of 1941, weighted by the tons sold at each price. Producers and sellers of byproduct furnace coke are required to file with OPA on or before September 27, 1941, their prices and quantities sold during the first quarter of 1941.

Above-ceiling copper scrap contracts made before August 19 may be filled conditionally

Contracts entered into prior to August 19, the effective date of the copper scrap schedule, calling for delivery of scrap acquired at prices in excess of the maximums, may be completed at higher than ceiling prices without awaiting receipt of formal permission from the Office of Price Administration, Leon Henderson, administrator, announced September 19.

However, the administrator cautioned, sellers must make application for formal permission and should the necessary permission be finally denied, must refund to the buyer any amounts received over and above the maximum price for the type of scrap involved.

Buyers should inform OPA

Buyers who accept delivery under these conditions should notify OPA of the names and addresses of their sellers and of the grades and quantities of each grade of scrap delivered, together with the prices paid.

This new procedure is considered necessary to facilitate an uninterrupted flow of copper scrap to smelters. Smelters have called the attention of OPA to the fact that dealers who had accumulated inventories at higher than ceiling

prices before the schedule became effective have been reluctant to make deliveries of this scrap without first having obtained specific permission of OPA to settle at contract prices above the maximums. Since the formalities of application necessarily consume some time, the flow of scrap has been interrupted.

No change in basic policy

Mr. Henderson pointed out that this procedure is of an emergency character, extending only to copper scrap, and does not represent any change in basic policy.

Trade reports to the effect that wholesale exceptions have been granted from the copper scrap ceiling prices are incorrect, the administrator said, and he emphasized that the schedule remains in full force and effect.

Much of the delay in the issuance of permits, the administrator stated, has been occasioned by failure of some applicants to follow the printed instructions. As a result, numerous permits have had to be returned for additional information. Applicants are requested to exercise reasonable care in this connection to the end that action by OPA may be expedited.

New formula adjusts grey goods ceilings to market price of "spot" raw cotton

Ceiling prices that will be automatically adjusted in direct relationship to the market price of "spot" raw cotton will be established for the types of cotton grey goods now covered by Price Schedule No. 11 under a new formula announced September 19 by OPA Administrator Henderson.

Discussions will be held with representatives of the combed and carded cotton yarn trade in the immediate future with a view to similarly tying in yarn prices with the price of cotton.

The grey goods formula was developed by OPA after lengthy consultation with a cotton subcommittee of the Cotton Textile Advisory Panel, representing all branches of the grey goods trade. It received the unanimous endorsement of the panel at a meeting September 18 and will be applied to all constructions of grey goods now included in the schedule as soon as an appropriate amendment can be drafted and issued.

Until a revised schedule is issued, however, present ceiling prices for grey goods will remain in full force and effect.

As applied to standard print cloth, the type of cotton goods used as a base in

the present grey goods schedule, the new formula provides for a change of $\frac{1}{2}$ cent, upward or downward, in the ceiling price for every change of 43 points in the price of "spot" raw cotton on 10 spot markets as reported by the Department of Agriculture.

The starting base will be 43 cents a pound for standard print cloth and 15.99 cents a pound for cotton. On the basis of current market prices for cotton, this would mean a maximum price of $44\frac{1}{2}$ cents a pound for print cloth.

Decision to tie the prices of yarns and grey goods to the price of cotton was reached by OPA after raw cotton prices had moved up 2 cents a pound from the levels that prevailed on July 19, 1941, when the ceiling price of print cloth was placed at 43 cents a pound. Faced with this substantial increase in raw material costs, the yarn and cloth manufacturers requested that OPA give consideration to further adjustments in the ceiling prices.

At a meeting of the Cotton Textile Advisory Panel on September 9, OPA requested that a cotton subcommittee be designated by members of the panel to

explore the question of an automatic system of adjustments with Price Administration officials. Subcommittees also were named at that time to advise on the various constructions which it is planned to add to the grey goods schedule.

Automatic adjustment aids flow

In commenting on the new system of adjusting cotton textile ceilings, Mr. Henderson stated that they were not predicated on the probability of any continued rise in the price of raw cotton. "But the prices of raw cotton are determined," Mr. Henderson stated, "by current demand and supply conditions and by the policies of the Government with reference to Government-owned surpluses. So long as this is the case there is the prospect of certain upward and downward fluctuations in the price of raw cotton. At the present time to freeze this market when the supply position is basically good would be an unnecessary interference with the system of free prices. But in the past these fluctuations have necessitated changes in the ceiling prices for cotton grey goods and during the period that changes were under consideration the flow of commodities was necessarily slowed down or disrupted. This automatic adjustment obviates the occasion for any such delays and is expected to facilitate the flow of textiles under the price ceiling. It is a special plan to meet a special situation and the Office of Price Administration has no present plans to apply the system to other commodities."

Additional types to be added

Among the new constructions which it is planned to add to the schedule as soon as the various price differentials can be worked out are: chambrays, coverts, denims, poplins, piques, drills, twills, jeans, and additional constructions of carded broadcloth. The print cloth group will be reclassified to give more detail.

These additional types of goods were selected with the advice of the subcommittees of the Cotton Textile Advisory Panel. Upon their inclusion in the schedule, it is estimated that over 80 percent of the cotton textile industry's entire range of fabrics will be covered by ceiling prices.

Provision will be contained in the enlarged schedule to allow for the extra costs involved in production of so-called "specification" goods, i. e., fabrics made to order to suit the special requirements of certain customers.

Slight rise in rayon yarn doesn't justify change in grey goods ceiling, OPA holds

Increases averaging somewhat less than 4 percent in the prices of rayon yarn announced by a leading producer were made with full knowledge of the Office of Price Administration, Administrator Henderson stated September 17.

OPA had previously entered objections to somewhat larger advances proposed by certain branches of the trade. The present raises are not large enough to justify any upward revision of the recently established rayon grey goods ceilings, OPA said, since that schedule made allowance for moderate increases in costs. Rayon yarn prices, on the other hand, have not changed importantly over the past 2 years, although costs of the producers have risen during this period.

"The near-capacity level of operations enjoyed for many months by yarn mills, together with the current price increase, is expected to enable producers to continue to supply the requirements of the weaving and hosiery trades without any

further advances in the price of yarns. Should prices rise further, we are prepared to take immediate action," Mr. Henderson stated.

The administrator disclosed that consideration is being given to relaxing the requirement in the rayon grey goods schedule that sellers include in sales contracts full details of construction of the fabrics. Complaints have been received from the trade that this requirement works hardship in the case of style innovators.

Attention was called to a statement made by Mr. Henderson at the time the grey goods price schedule was issued in which he said it was expected that the prices of various constructions not covered by ceiling prices would fall into line with the goods included in the schedule.

OPA is watching both the grey goods and finished goods markets closely, the administrator said, in order that prompt action may be taken if it becomes necessary.

Consumers need more data on merchandise for intelligent buying, panels decide

Plans for helping consumers in their buying problems in the current national emergency by providing more adequate information about merchandise were discussed by the advisory panel on consumer goods distribution and use at a meeting held September 18 in the Consumer Division of the Office of Price Administration and Civilian Supply.

It was the recommendation of the panel that action be taken to bring more data to consumers about contents of merchandise and its use and care as rapidly as possible in order that buying might be done more intelligently and strategic materials conserved. This would be done by more and better labeling.

Subcommittees to plan program

In addition to this type of information, it was agreed that consumers should also be provided with data on quality deterioration, where this has taken place. Subcommittees have been appointed which will plan for a program of action to be taken up at the next meeting of the panel. In the development of this program it was agreed that the close

cooperation of consumers, retailers, manufacturers and the Consumer Division of OPA is necessary.

The governmental and institutional purchasing agents' panel discussed ways and means by which purchasing in these organizations could be put on a more scientific basis. Wider dissemination of available information which is obtainable both from Government and from associations in the field was planned. A small committee was set up to develop this distribution of data.

The standards advisory panel discussed three household appliances—the mechanical refrigerator, the washing machine, and the electric flat iron. A report was received from the committee of the American Standards Association, which is working on a project of simplification at the request of the Consumer Division in order that strategic materials may be conserved. Only general phases of the subject were discussed at the panel meeting. Final recommendations will wait upon the report of the committee of the American Standards Association.

The three panels are expected to meet again on the third Friday of next month.

Retail anthracite prices should stay at about September 15 level, OPA believes

The Office of Price Administration has, pending further study of the anthracite situation, decided not to stand in the way of increases in mine prices through September 15 which the industry contends are necessary to cover the operators' higher wage and supply costs.

Prices at the mine have been advanced 50¢ per ton over those prevailing last winter on the large sizes of coal, and 25¢ per ton on buckwheat. A new wage agreement signed in May granted mine workers a general 10 percent wage increase.

However, the Office of Price Administration is also concerned about retail price advances which have shown a tendency to outrun the prices at the mine.

Retailers in some areas have been taking more than their usual mark-up. In some cases, the increase of 50¢ per ton in the mine price has been used as an

excuse for a \$1.00 per ton increase in prices charged by retailers to their customers. Retailers' gross margins (the difference between the retail price and the mine price plus freight) have increased 20 percent since last September in some major anthracite consuming cities.

That retailers' labor and equipment costs may have increased somewhat over last year is acknowledged by OPA fuel authorities.

Anthracite mine operators have agreed not to make any advances in the mine prices above those effective on September 15 except after consultation with the Office of Price Administration. With the mine price stabilized, consumers have a right to expect retail prices to level out at about the September 15 level. Consumers faced with advancing retail quotations after that date are asked to report them to the Office of Price Administration.

Domestic hide prices corrected by new amendment

The Office of Price Administration acted September 18 to correct an error in an amendment issued September 13, 1941, establishing price differentials for all grades and classifications of domestic hides under Price Schedule No. 9, Hides, Kips, and Calfskins.

As issued, the maximum price schedule for hides other than packer classifications sold on an unselected basis listed maximum prices of 14½ cents for trimmed and 14 cents for untrimmed hides from branded steers and cows. An amendment, effective September 18, corrects these prices to 14 cents and 13½ cents, respectively.

The new amendment also establishes a maximum weight of 30 pounds for "country" kipskins—skins weighing more than calfskins but less than hides, and which are of irregular pattern or show pronounced inferiorities.

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Consumers asked to resist antifreeze price increase

The practice of a large distributor of ethyl alcohol antifreeze in raising his retail price from \$1.00 to \$1.50 a gallon recently is nothing more nor less than profiteering, Office of Price Administration chemical authorities state. They urge motorists to refuse to pay the higher price.

OPA placed a ceiling on completely denatured ethyl alcohol last week, establishing a tank car price of 24½¢ per gallon.

This raw material price does not justify a retail price increase. There have been no other antifreeze production cost increases that warrant this advance, OPA executives explain.

Suppliers of the branded products who raise their ethyl alcohol antifreeze prices 50¢ per gallon are simply taking advantage of the heavy demand on ethyl alcohol for defense purposes and capitalizing on their expectations of increased civilian purchasing power.

OPA chemical authorities are asking consumers to help them forestall inflationary price rises, by refusing to buy the anti-freeze at unreasonable price levels. If, after shopping around at service stations, auto supply stores, or mail order houses, consumers are unable to secure supplies at a reasonable price, they are asked to report instances of profiteering to Leon Henderson, OPA administrator.

News for Retailers

Shoe Prices

In interpreting for shoe retailers the new amendment to the hide price schedule, OPA leather executives call attention to the fact that the amendment does not justify any change in the price of leather or leather products.

In the original schedule, effective June 16, 1941, a ceiling price of 15 cents per pound was fixed for domestic hides. Under the new amendment, differentials varying from $\frac{1}{2}$ to $4\frac{1}{2}$ cents per pound are graded downward from a top price of $15\frac{1}{2}$ cents according to the grade of hides, kips, or calfskins.

The general level of prices during recent months is not being affected by the amendment, but differentials generally prevailing prior to the institution of the June ceiling are reestablished.

At the time the first hide schedule was instituted hide prices were undergoing an alarming advance in price. After the June ceiling was established 10 out of the 12 classifications of packers hides finally advanced to the ceiling price of 15 cents per pound and tanners were required to buy combination lots of different grades of hides whether they had a use for them or not. This tended to increase the costs of small specialty tanners particularly.

The cost of leather in a medium priced women's shoe represents approximately $37\frac{1}{2}$ cents, and in a medium priced men's shoe 40 percent or more of the factory price. The inflationary movement in hide prices would have resulted, therefore, in substantial increases in the price of shoes, if the two hide schedules had not been issued.

Reports from the annual leather show held last week in New York indicate that there may be some advances in spring shoe prices, but OPA leather authorities consider increases due to leather costs to have been minimized.

In his recent speech before the National Shoe Retailers Association style conference at the Waldorf-Astoria, Merrill A. Watson, executive vice president of the Tanners' Council of America pointed out that production of shoes for the first 7 months of 1941 was 286,000,000 pairs, or 25 percent above the same period in 1940, but that sales data indicate that the total retail volume for the first 7 months this year was only 15 percent above 1940. Purchases for the Armed Services took only a very small percent-

age of the output. The increase in production substantially exceeded the actual absorption of shoes by consumers.

Mr. Watson cautioned retailers that holding more inventory might seem desirable at present, but the time invariably comes when stocks are a profound burden.

Latest statistics of the Department of Commerce indicate that the cost value of inventories held by 2,500 chain shoe stores (the only type of stores on which data are available) rose about 2 percent during July and was about 8 percent higher at the end of the month than the month-end total for July 1940.

In discussing the import situation, Mr. Watson said that hides and skins are available for the United States in the various world markets, to a greater extent probably, with one or two exceptions, than in normal periods. Totalling up accessible world resources, the Tanners' Council executive estimated a potential supply for the United States of 10,000,000 to 12,000,000 cattle hides, of 3,000,000 to 4,000,000 calf and kip skins, 30,000,000 to 50,000,000 sheepskins, and perhaps 50,000,000 goatskins. However, he pointed out that the potential availability of supplies centers largely on the problem of shipping.

Harold M. Florsheim, adviser on shoes and leather in the Division of Purchases of the Office of Production Management spoke at the retailers' meeting, saying that while controls and priorities have not involved shoes, in order to avoid complications of this type, "it is essential and necessary that full cooperation be given the Government on a voluntary basis."

Offerings of leather by tanners exhibited less color variation than usual, indicating that spring shoes will appear in a narrower range of tones.

In addition, the women's style committee of the National Shoe Retailers Association recommended to the manufacturers at a meeting coincident to the leather show that styles be simplified in order to reduce the number of patterns and lasts required.

Such trends should be of particular value to retailers, since excessive style variations in shoes lead to heavy inventory-to-sales ratios, a major problem of the shoe retailing business.

With the reduction in the variety of leather colors, there may very well be an increase in the hand-staining of shoes

in shoe stores. This antiquing process offers a further advantage in that it tones down slight surface or grain aberrations that would discourage the use of otherwise good upper leather.

Another result of the effort to conserve leather is perhaps reflected in the promotion of the Norwegian moccasin style of shoe. This design permits the use of smaller pieces of leather than in ordinary types of shoes and leads to a saving in material.

Shirt Simplification

The first simplification of lines and products in the clothing field is expected as the result of a meeting of the National Association of Shirt and Pajama Manufacturers September 11.

A resolution urging the industry to work out a course of simplification for men's shirts and pajamas was unanimously adopted by the meeting, which was attended by 40 manufacturers from various sections of the United States.

The Consumer Division of OPA is participating in this latest move of the industry, and is expecting to make standardizing recommendations on a number of important factors, among which are variety of design, color, and fabrics; wrapping material and method of packing; standardization of sizes and shrinkage factors; and accurate and informative labelling.

The simplification movement is receiving impetus from defense agencies which see in such a program a means of saving plant, labor, or materials for defense production, of expanding output of scarce civilian commodities to prevent inflationary price increases, or of avoiding quality deterioration of products with fixed ceiling prices that are experiencing rising material costs.

Concerted action by manufacturers to simplify their lines and products will not call forth antitrust prosecution as long as certain conditions are met, according to Assistant Attorney General Thurman Arnold.

In a letter to Under Secretary of Commerce Wayne C. Taylor recently, Mr. Arnold said:

"I understand from your plan of procedure that simplification and standardization proposals will originate with defense agencies, the Department of Commerce and industry, and that conferences will be held with representatives of specific industries and interested Government agencies to obtain advice and information on particular proposals.

"In my view, continued adherence to the specific purpose of simplification will not raise any questions under the Federal antitrust laws."

PURCHASES . . .

OPM moves to reduce number of specifications to get more steel from existing facilities

Increased production of steel from existing facilities during the national emergency by concentration on a minimum number of steel specifications, compositions, sizes and shapes is expected to result from a new project launched by the Office of Production Management.

At the request of OPM, three national organizations—the American Society for Testing Materials, Society of Automotive Engineers, and the American Iron and Steel Institute—will carry out the project with the collaboration of the War and Navy Departments, under the general supervision of OPM. An administrative committee to direct the work has been formed of representatives of these five bodies with advisers from other interested organizations, and is headed by C. L. Warwick, consultant in the Government Conservation Branch of the Purchases Division, OPM, and Secretary-Treasurer of the A. S. T. M.

To establish emergency specifications

The goal as defined by the administrative committee at its first meeting on September 12 is to establish, as promptly as possible, National Emergency Steel Specifications, which in effect involves the selection of the minimum number of steel specifications, compositions and sections necessary to meet the requirements of national defense, both direct and indirect.

It is believed that the productive capacity of the steel industry, and of the manufacturing industries using steel for defense equipment, can be materially increased within present facilities by concentration of production upon a reduced number of steels, particularly with respect to alloy steels. Consideration will necessarily be given to nondefense requirements for steel in establishing the list of National Emergency Steel Specifications.

For use in priorities

It is the intention of OPM, through its Iron and Steel Section, to use the list as an aid in administering steel priorities and allocations.

The administrative committee indicated that the purpose is not to write new specifications, but primarily to select from existing specifications the practical minimum, in order to get maximum production of planes, tanks, guns,

ships, and all other defense equipment.

A classification of steel products has been made, and committees of technical representatives of both users and producers of steel are being organized to handle the work. The committees on carbon and alloy steel plates, and on aeronautic steels, will be the first to get under way. These committees will take full advantage of the extensive standardization which has already been accomplished in this field.

After review by the administrative committee, the recommendations of the technical committees will be referred to OPM.

The members of the administrative committee are as follows:

Chairman—C. L. Warwick, OPM consultant.

Representing the American Society for Testing Materials—N. L. Mochel, manager, Metallurgical Engineering, Westinghouse Electric and Manufacturing Co.; alternate, Jerome Strauss, vice president, Vanadium Corporation of America.

Representing the Society of Automotive Engineers—F. P. Gilligan, secretary-treasurer, Henry Southern Engineering Co.; alternate, J. B. Johnson, chief, Materials Section, Air Corps, U. S. A.

Representing the American Iron and Steel Institute—E. C. Smith, chief metallurgist, Republic Steel Corporation; alternate, C. M. Parker, Secretary, Committee on Manufacturing Problems, American Iron and Steel Institute.

Representing the War Department—Lt. Col. W. R. Slaughter, U. S. A., chief, Ordnance and Steel Divisions, Production Branch, Office of Under Secretary of War; alternates, Maj. J. H. Frye, U. S. A., Ordnance, War Department; Lt. J. H. Fitch, U. S. A., Standards Division Planning Branch, Office of Under Secretary of War; J. B. Johnson.

Representing the Navy Department—Lt. Comdr. E. C. Forsyth, U. S. N., Bureau of Ships, Navy Department; alternate, Lt. Comdr. J. E. Sullivan, U. S. N. R., Bureau of Aeronautics, Navy Dept.

Other alternates to be appointed.

Advisers are as follows:

H. S. Rawdon, chief, Division of Metallurgy, National Bureau of Standards; alternate, W. H. Swanger, Metallurgist, National Bureau of Standards.

N. F. Harriman, vice chairman, Federal Specifications Executive Committee, Procurement Division, Treasury Department.

J. W. McNair, engineer, American Standards Association.

H. LeRoy Whitney, executive consultant, Iron and Steel Section, OPM; alternate, G. B. Waterhouse, consultant, Iron and Steel Section, OPM.

C. E. Stryker, Standards Coordination Branch, Aircraft Section, OPM.

C. W. Test, steel industrial specialist, Civilian Allocation Division, OPM.

E. J. Hergenroether, consultant, Conservation and Substitution Section, OPM.

K. D. Williams, principal materials engineer (metallurgical), Bureau of Ships, Navy Department.

\$302,322,126 War Department contracts cleared September 11 through September 17

Defense contracts and letters of intent totaling \$302,322,126 were awarded by the War Department and cleared by the Division of Purchases, Office of Production Management, during the period September 11 through September 17. This compares with a total of \$428,835,709 for the previous week.

Contracts and letters of intent for construction amounted to \$107,411,594; contracts for equipment and supplies to \$36,826,073; contracts for ordnance to \$10,293,959 and contracts for aircraft to \$147,790,500.

A compilation of announcements for the week follows:

CONSTRUCTION

Milon Construction Co., Atlanta, Ga.; construction of Advanced Twin Engine Flying School at Columbus, Miss., airfield; \$4,212,319.

Frederick Snare Corporation, New York City; channel dredging at Jersey City, N. J.; \$734,620.

James I. Barnes, Logansport, Ind.; construction of motor repair shops and class rooms at Camp Lee, Va.; \$525,137.

The Caye Construction Co., Brooklyn, N. Y.; construction of four air corps hangars with boiler houses, at Presque Isle, Maine; \$593,000.

Hill & Combs, San Antonio, Tex.; change order to original contract covering extension to depot supply building at Duncan Field, Tex.; \$519,245.

The Weatherhead Co., Cleveland, Ohio; nonmechanical building machinery and equipment; \$1,018,200. (Defense Plant Corporation agreement of lease.)

Holley Carburetor Co., Detroit, Mich.; additional building with necessary machinery and equipment for manufacture of aircraft carburetors; \$661,415.

E. I. duPont de Nemours & Co., Wilmington, Del.; construction and equipment of plant at Choteau, Okla., and 1 year's production of smokeless powder and diphenylamine; \$84,235,594.

General Motors Corporation (Hyatt Bearings Division), Harrison, N. J.; acquisition of additional machinery and equipment for existing plant to be used in manufacture of aircraft engine bearings; \$567,000. (Defense Plant Corporation agreement of lease.)

ORDNANCE

Radiant Corporation, Cleveland, Ohio; nose bomb fuze; \$1,610,350.

Rheem Manufacturing Co., New Orleans, La.; shells; \$1,034,250.

Thibodaux Boiler Works, Thibodaux, La.; shells; \$900,000.

Kilgore Mfg. Co., International Flare-Signal Division, Tipp City, Ohio; pyrotechnic pistols; \$600,472.

Oliver Farm Equipment Co., Chicago, Ill.; shells; \$2,832,732.

R. Wallace & Sons Mfg. Co., Wallingford, Conn.; cartridge clips; \$980,400.

Minneapolis Moline Power Implement Co., Minneapolis, Minn.; shells; \$2,336,755.

(Continued on page 17)

War Department contracts

(Continued from page 16)

AIRCRAFT

Vega Airplane Co., Burbank, Calif.; airplanes and spare parts; \$147,790,500.

EQUIPMENT AND SUPPLIES

General Electric Co., Radio & Television Department, Schenectady, N. Y.; radio transmitting equipment; \$14,669,142.

Belmont Radio Corporation, Chicago, Ill.; radio receivers and equipment; \$2,106,758.

J. L. Stifel & Sons, Wheeling, W. Va.; 4,800,000 yards cotton herringbone twill cloth; \$1,671,840.

Riverside & Dan River Cotton Mills, New York, N. Y.; 2,000,000 yards cotton herringbone twill cloth; \$688,350.

Cone Export & Commission Co., New York, N. Y.; 1,600,000 yards cotton herringbone twill cloth in Greensboro, N. C., mill; \$562,880.

General Motors Corporation, Allison Division, Indianapolis, Ind.; engines and spare parts; \$8,501,605.

Fargo Motor Corporation, Detroit, Mich.; ½-ton trucks; \$2,809,561.

Highway Trailer Co., Edgerton, Wis.; 2-wheel semitrailers; \$553,384.

Yellow Truck & Coach Manufacturing Co., Pontiac, Mich.; 2½-ton trucks; \$4,016,563.

Progressive Coat & Apron Mfg. Co., Philadelphia, Pa.; 390,000 bakers' and cooks' coats; \$587,400.

Hickok Electrical Instruments Co., Cleveland, Ohio; thermometer indicators; \$658,590.

LETTERS OF INTENT

CONSTRUCTION

Douglas Aircraft Co., Inc., Santa Monica, Calif.; construction and acquisition of emergency plant facilities for fabrication of air frames for heavy bombardment airplanes; \$12,619,096.

Fairchild Engine & Airplane Corporation, Hagerstown, Md.; construction and acquisition of additional plant facilities for fabrication of wings for airplanes; \$1,675,967.

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Eggs produced at highest rate since 1930

Stimulated by the Department of Agriculture's food-for-defense program, egg production in this country during the first 8 months of 1941 was the largest since 1930, according to the Agricultural Marketing Service. Production in August, equivalent to nearly 8,500,000 cases, was the largest for the month since 1929. The rate of egg production per layer during August reached a record high of 12.25 eggs.

Farm laying flocks during August were only 1 percent larger than last year and the 10-year average. However, the number of layers will gain from 3 to 10 percent over last year during the next few months as the 9-percent larger crop of pullets enters the laying flocks.

Hatchery production of baby chicks during August set a new high record of 20,805,000 chicks for the month, an increase of 67 percent over production in August last year and 56 percent above the previous high in August 1939.

Nine subcommittees named for industry committee on shoes, leather products

The Bureau of Clearance of Defense Industry Advisory Committees announced September 18 the appointment of nine subcommittees for the defense industry advisory committee on shoes, leather products, hides, skins and leather.

Members of the subcommittees were selected by Harold Florsheim and Major J. W. Byron, Government Presiding Officers, from nominations made by members of the Steering Committee of the Defense Industry Advisory Committee at a meeting on August 22.

Shoe manufacturers subcommittee

J. F. McElwain, J. F. McElwain Co., Boston, Mass.; F. J. O'Donnell, Joseph M. Herman Co., Millis, Mass.; H. L. Nunn, Nunn-Bush Co., Milwaukee, Wis.; Frank Weyenberg, Weyenberg Shoe Mfg. Co., Milwaukee, Wis.; Charles E. Allen, Allen-Squire Co., Spencer, Mass.; L. B. Sheppard, Hanover Shoe Co., Inc., Hanover, Pa.; Fred Emerson, Dunn & McCarthy, Inc., Auburn, N. Y.; Roger Selby, Selby Shoe Co., Portsmouth, Ohio; H. O. Rondeau, H. O. Rondeau Shoe Co., Farmington, N. H.; L. V. Hershey, Hagerstown Shoe & Legging Co., Hagerstown, Md.; Chas. F. Johnson, Endicott-Johnson Corporation, Endicott, N. Y.; John Bush, Brown Shoe Co., St. Louis, Mo.; Maxey Jarman, General Shoe Corp., Nashville, Tenn.; and Byron A. Gray, International Shoe Co., St. Louis, Mo.

Retailers subcommittee

Owen W. Metzger, Wetherhold & Metzger, Allentown, Pa.; John C. Talbot, J. C. Penney Co., New York City; Marcus Rice, May Department Store, St. Louis, Mo.; L. F. Tuffy, Krupp & Tuffy, Houston, Tex.; David S. Hirschler, Hofheimer's Inc., Norfolk, Va.; A. W. Fish, William Filene's Sons Co., Boston, Mass.; F. J. Schell, Sears, Roebuck & Co., Chicago, Ill.; Max Friedman, A. S. Beck Shoe Corporation, New York City; Ward Melville, Melville Shoe Corporation, New York City; A. H. Billel, Rival Shoe Co., New York City; Oscar Thompson, Thompson, Boland & Lee, Inc., Atlanta, Ga.

Last manufacturers subcommittee

Harry Darragh, Vulcan Corporation, Portsmouth, Ohio; George Stevens, Lynn Last Co., Lynn, Mass.; Joseph W. Holmes, United Last Co., Boston, Mass.; and Chas. W. Marcille, Western Last Co., St. Louis, Mo.

Rubber footwear and rubber materials for shoes subcommittee

H. S. Marlor, U. S. Rubber Co., New York City; C. L. Muench, Hood Rubber Co., Watertown, Mass.; C. H. Baker, Goodyear Footwear Corporation, Providence, R. I.; H. S. Post, Goodyear Tire & Rubber Co., Akron, Ohio; and M. Bernstein, Panther-Panco Co., Chelsea, Mass.

Tanners' supplies technical subcommittee

Dr. Fred O'Flaherty, Tanner's Research Laboratory, University of Cincinnati, Cincinnati, Ohio; G. W. Schultz, Proctor Ellison Co., Elkland, Pa.; and Adolph Schubert, B. D. Eisendrath Tanning Co., Racine, Wis.

Upper leather subcommittee

V. G. Lumbard, Ohio Leather Co., Girard, Ohio; Carl F. Danner, American Hide & Leather Co., Boston, Mass.; Edwin A. Gallun, A. F. Gallun & Sons Corporation, Milwaukee, Wis.; Wm. B. Eisendrath, Monarch Leather Co., Chicago, Ill.; D. S. Stauffer, International Shoe Co., St. Louis, Mo.; W. E. Thorpe, Paris Tanning Co., Inc., South Paris, Maine; Ralph L. Pope, Northwestern Leather Co. Trust, Waukegan, Ill.; Harold Connert, Surpass Leather Co., Philadelphia, Pa.; H. N. Goodspeed, A. C. Lawrence Leather Co., Peabody, Mass.; Myron Laskin, J. Laskin & Sons, Inc., Milwaukee, Wis.; Kurt C. Friend, J. Greenebaum Tanning Co., Chicago, Ill.; H. Hill, Ashtabula Hide & Leather Co., Ashtabula, Ohio; and Michael F. McGrath, Dudley Leather Co., Lynn, Mass.

Technical shoe subcommittee on specifications

Seward M. Paterson, J. F. McElwain Co., Nashua, N. H.; J. E. Quinn, International Shoe Co., St. Louis, Mo.; F. J. O'Donnell, Joseph M. Herman Shoe Co., Millis, Mass.; and C. Chester Eaton, Chas. A. Eaton Co., Brockton, Mass.

Hide and skin subcommittee

P. C. Smith, Swift & Co., Chicago, Ill.; G. D. Fitch, Wilson & Co., Chicago, Ill.; George Stark, Stark & Wetzel, Indianapolis, Ind.; Lee Jackson, Springfield Pkg. Co., Springfield, Mo.; Newton Bissinger, Bissinger & Co., San Francisco, Calif.; A. L. Webster, A. L. Webster & Co., Chicago, Ill.; E. L. McKendrew, Armand Schmolli, Inc., New York City; Milton Katzenberg, Jacob Stern Co., Philadelphia, Pa.; Walter Stern, H. Elkan & Co., Chicago, Ill.; and Owen Howe, Sands & Leckie, Boston, Mass.

Sole leather subcommittee

A. M. Pierce, Leas & McVitty, Inc., Philadelphia, Pa.; E. W. Pervere, Howes Bros. Co., Boston, Mass.; J. Silverstein, Toxaway Tanning Co., Rosman, N. C.; R. Comloquoy, Pine Grove Tanning Co., Philadelphia, Pa.; Allen Bennett, Graton & Knight Co., Worcester, Mass.; Ray Laub, George Laub's Sons, Buffalo, N. Y.; Henry Boyd, Armour Leather Co., Chicago, Ill.; H. Fitzgibbons, E. P. Fitzgibbons Co., Whitman, Mass.; and Saul Bloom, S. H. Frank & Co., San Francisco, Calif.

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ORE MOVEMENT

Reports from the four principal ore-handling railroads for the week ended September 13 showed they loaded into boats at upper lake ports 2,467,298 tons of ore as compared to 2,246,888 tons loaded during the corresponding week in 1940.

For the 1941 season of navigation to date these same railroads have loaded into boats a total of 54,109,417 tons as compared to 41,010,396 during the corresponding period of 1940, an increase of 13,099,021 tons.

AGRICULTURE . . .

(Information furnished through Office of Agricultural Defense Relations,
U. S. Department of Agriculture)

"Food is our fifth column," Wickard tells farmers in calling for production

Asserting that "this is our war," Secretary of Agriculture Wickard last week described food as a "whole arsenal of weapons in this struggle for human freedom."

Speaking at Salt Lake City, Utah, in the first of four regional meetings called to plan 1942 food production, Wickard called on American farmers to "carry through a huge production program in the months ahead to serve both the national welfare and their own interests."

"The agricultural production goals for 1942," Wickard said, "take into account the needs of the American people and the demands which probably will result from increased purchasing power. They make allowances for distribution to the underprivileged at home; for export through commercial channels; and they allow for the production we must have if we are to meet our commitments to the British."

Goals provide for reserves

"There is one more thing provided for in these goals which has not previously been included on such an extensive scale in national plans for agricultural production. Our production goals for 1942 include allowances for stock piles or reserves of food. We will translate the Ever-Normal Granary of feeds into an Ever-Normal Granary of food—food right there ready to eat."

"Why build these stock piles of food? Well, food is a whole arsenal of weapons in this struggle for human freedom. It is the driving force behind high production by munitions workers, and high performance and morale among soldiers and sailors. Food is even more than that to people who are being deliberately starved. To people in that desperate fix, food right out there in sight, already produced, ready to go into frying pan or oven, will be a most powerful persuader of discontent and rebellion."

"Food is our fifth column"

"For all except the favored Nazi few and the fighting men and war industry workers, meat and milk and eggs and tomatoes and lard and cheese are dreadfully scarce even in Germany. These foods are practically unknown to the average family in the conquered countries that have been looted."

"What do you think is the effect upon these people looking across the channel from half-fed France or Holland and seeing the British still getting enough to eat? I think the effect is the equivalent of about 10 field armies. Food is our fifth column."

"They'll work and fight"

"When the conquered peoples see what America is supplying the British in the way of food, and know there's more where the British supplies came from, I think these people in the conquered countries may do more than hope for victory of the democracies; they'll work and fight for it."

"In the day of victory when the nations sit down at the peace table, our food stock piles ready to be drawn on by

the famished people of the old world will give great force to our views. For they will show once and for all that democracy builds for the needs of common men. No better demonstration could be given than teamwork by American agriculture and American Government to build up food reserves while Hitler is doing his level best to destroy the possibility of Europe's producing enough meat or milk or eggs for years to come.

"As we go about our plans for putting more cows and pigs and hens to work making food out of our stored abundance, Hitler is killing off the herds and flocks of Europe. It will take years to build them back so they will supply the Old World again. In the meantime, we will be relied upon by scores of millions of human beings for adequate nourishment. Our national self-interest, and our humanitarian instincts challenge us to do this job and do it on a scale that will write history."

Farmers urged to limit requirements of machinery to "things absolutely needed"

American farmers this week were asked to prepare for possible shortages or substitutions in the farm machinery and equipment they are accustomed to buying. At the same time, they were urged to limit their requirements to "things absolutely needed" so the materials, particularly metals, can be used for armaments to "destroy the menace of Hitlerism."

The message came from L. L. Needler, chief of the Farm Equipment and Supplies Division, Office of Agricultural Defense Relations, Department of Agriculture, in a radio talk on the National Farm and Home Hour. Excerpts follow:

"We are in the midst of a Nationwide campaign to produce the food needed by our own people and by the nations resisting aggression. At the same time, we find that the very things needed to operate the farms of the Nation are also necessary for our armament program. Consequently, we are facing shortages of one kind or another that will force us to use unfamiliar substitutes and, in some cases, to make out with what we already have in operation."

Not enough to go around

"This is true in spite of the fact that agriculture is considered semimilitary."

It is true in spite of the fact that materials necessary for the production of parts for the repair and maintenance of existing farm equipment have been given a full defense rating by the priorities officials. It is true in spite of the fact that materials for the production of specified new farm equipment have been given the highest civilian rating.

"There simply is not enough of some of the needed materials to go around. We have the priority ratings, all right, but if the needed materials are not there, or if what is there is needed for strictly military purposes, we will not be able to get all we want. Some of you may remember as a child having eaten at the second table when the family had unexpected company. In this instance, Defense is the unexpected company, but we will agree, it must be first and fully served."

"We know that farmers will make every effort to do a good job with the machinery and supplies obtainable. We believe we will be able to provide for all needed repair and maintenance parts. We hope farmers will make every effort to limit their requirements of supplies and machinery to things absolutely needed. In this way they can make a vital contribution to our national effort to destroy the menace of Hitlerism."

TRANSPORTATION . . .

Budd outlines bus transport's place in defense, says service should be kept up

Speaking before the National Association of Motor Bus Operators in Chicago, September 18, OEM Transportation Commissioner Ralph Budd declared: "Bus transportation is one of the Nation's most useful arms of service for peace and for preparedness, and if that time should come it will be an equally useful arm in time of war. It deserves to be preserved in full vigor and enlarged capacity."

Further excerpts:

Early this year it became apparent that one of the real problems confronting you was that of obtaining repair parts to maintain existing buses, and material to build new buses with which to handle the growing business. . . .

Requirements relatively small

My own position on the question of priorities for new buses and repair parts has been that the requirements are relatively so small, the necessity for getting new buses is so obvious, and the desirability of keeping the existing equipment in good running order is so self-evident, that there should be no restrictions on the number of buses that may be built; that the manufacturers should be permitted to use materials to fill orders for new buses, and, of course, to keep the old ones in good running repair.

For some time past I had assumed that the place of buses in the travel plans and travel habits of the Nation had become established and well understood, but the necessity for conservation of certain critical materials which has arisen in the last year has made it necessary to scrutinize and question the relative importance and essential character of many undertakings.

The very advanced design of modern buses through the use of aluminum focused attention upon them because of the need for that metal in airplanes. Even though bus operators and builders were quick to change their designs so that aluminum virtually was eliminated, the relative importance of building buses as compared with using the steel, rubber, and other scarce materials for various defense purposes has raised the question, "how necessary are buses anyway?"

Measured by the yardstick of patron-

age, intercity buses are certainly necessary. They will carry perhaps 450 million people this year. Nearly as many bus rides will be made by school children in noncommon carrier buses, and those in urban buses will exceed 4 billion. There is no question but the public finds the bus a useful and desirable means of travel. In number of riders, intercity bus travel alone now rivals the total by railway.

Much of the present bus travel is directly and indirectly due to the Nation's defense program. The building of new factories and the enlargement of old ones for defense manufacturing has created transportation problems and added traffic to existing transport agencies in many places all over the country. The handling of employees to and from these new and enlarged plants during construction, as well as after they are in operation, has been carried on by various means, including intercity buses, extension of urban transit, private automobiles, and some railway shuttle trains. Many training camps are served by intercity buses and the movement of selectees to induction and reception centers is more and more by this mode of travel.

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CARLOADINGS REACH NEW PEAK

Revenue freight carloadings during the week ended September 13 reached a new peak for the year with a total of 913,952 cars, an increase of 13.6 percent over the 804,265 cars loaded during the corresponding week in 1940. Increases were registered in all major commodities except livestock which showed a decrease of 16.8 percent. The details follow:

CARLOADINGS—WEEK ENDED SEPTEMBER 13

	1941	1940	Percent increase
Grain and grain products.....	45,045	42,494	6.0
Livestock.....	14,453	17,379	16.8
Coal.....	171,730	140,121	22.6
Coke.....	12,968	11,148	16.3
Forest products.....	45,655	40,438	12.9
Ore.....	74,448	73,702	1.0
Merchandise I. c. L.....	158,787	156,442	1.5
Miscellaneous.....	390,566	322,541	21.2
Total.....	913,952	804,265	13.6
Cumulative 37 weeks.....	29,436,005	24,954,277	18.0

¹ Decrease.

49,134 new freight cars put in service in first 8 months of 1941

Class I railroads on September 1, 1941, had 92,033 new freight cars on order, according to reports made to Ralph Budd, transportation commissioner, by the Association of American Railroads. On August 1, 1941, they had 89,416 on order, and on September 1, last year there were 18,456.

The new cars on order on September 1, this year included 59,490 box, 26,464 coal, 399 stock, 2,284 flat, 2,316 refrigerator, and 1,080 miscellaneous cars.

611 new locomotives on order

Class I railroads on September 1, this year also had 611 new locomotives on order, of which 317 were steam and 294 electric and Diesel. On August 1, 1941, there were 603 new locomotives on order, of which 300 were steam and 303 were electric and Diesel. New locomotives on order on September 1, last year, totaled 179 which included 114 steam and 65 electric and Diesel.

In the first 8 months of 1941, the railroads put in service 49,134 new freight cars compared with 44,791 in the same period last year.

Of the total number of new freight cars placed in operation in the first 8 months this year, there were 25,785 box, 20,359 coal, 1,458 flat, 1,218 refrigerator, 50 stock, and 264 miscellaneous cars.

In the first 8 months this year, the railroads also put in service 372 locomotives, of which 84 were steam and 288 electric and Diesel.

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47,000,000 cu. ft. of public refrigerated space vacant

Figures released September 13, by the Agricultural Marketing Service of the Department of Agriculture show in 213 public refrigerated warehouses on September 1, 47,000,000 cubic feet of vacant space of which 35,000,000 cubic feet is cooler and 12,000,000 cubic feet is freezer space.

Comparisons in percent of occupancy follow:

September 1941, cooler 59, freezer 72, combined 64; August 1941, cooler 58, freezer 75, combined 64; September 1940, cooler 56, freezer 70, combined 60; August 1940, cooler, 55, freezer 69, combined 59.

LABOR . . .

Hillman states policies on auto labor for management and unions to follow

After a series of labor-management conferences in Detroit, Associate Director General Hillman, OPM, issued on September 17 six statements of policy which both management and labor will be expected to follow in handling labor problems arising from curtailment in passenger automobile production.

The statements of policy issued by Mr. Hillman follow:

(In these formulations of policy and procedure, Statements 1 to 5 are to be considered as subject to the general provisions listed in Statement 6.)

STATEMENT NO. 1

Where a man working on nondefense production is laid off and obtains defense employment with another company, and that fact is certified to his former company, he will not have to report back for civilian production work in order to protect his seniority so long as he retains the defense employment to which he was certified. If he shifts from one defense employment to another, there must be a recertification as to his new defense employment. Employers concerned with the application of this policy will work out arrangements which will result in the maximum possible acceleration of the defense program.

STATEMENT NO. 2

Transfer of employees to defense work shall be by seniority in the following order:

First, those fully qualified for skilled or semiskilled jobs on the basis of past experience and training.

Second, those who can qualify within the period normally given to new employees.

When management and representatives of the workers are agreed that no employees or an insufficient number of employees with seniority are available in the first group, new, fully qualified employees will be hired.

STATEMENT NO. 3

When hiring new employees for defense work, qualified applicants working on nondefense work with seniority in local industry will be hired before workers coming from other localities. When so hiring, the qualified applicant with the

longest seniority record will receive preference.

The senior employees among those working in plants where employment is decreasing who can be spared; who elect to accept such defense employment; and who are found acceptable will be the first released with full protection of their seniority rights.

STATEMENT NO. 4

Skilled tradesmen laid off, partially employed, or employed at occupations other than their trade or its equivalent in defense usefulness, will be released upon their request, with protection of their seniority rights, for full time defense work (40 hours per week) at their trade. The need for these workers in defense employment will be certified to the worker's employer.

STATEMENT NO. 5

The above policies are to be construed as a pattern for industry and labor to follow and are not retroactive. It is understood that their application is a local community problem and must be worked out on the basis of cooperation between plants in a community and the workers involved.

The operating machinery to effect this point will be set up at an early date.

STATEMENT NO. 6—General Provisions

1. *Recall of employees.*—An employee loaned or laid off, whether unemployed or currently employed on defense or non-defense work, must report back for defense employment to the company with which he holds his original seniority, if and when called, on notice of at least one week. Recall of employees to defense work presupposes, and management will endeavor to provide, full time employment, contingent upon the availability of the essential tools, material and facilities. Skilled tradesmen will be subject to recall only for full time defense employment at their trades or the equivalent.

2. *Defense training.*—For the purpose of these policies, defense training is to be considered defense employment, provided there is an understanding between the employer and the employee that the employee is being trained for a specific payroll job.

Way prepared for rehiring 1,000 in Wilkes-Barre area

Associate Director General Hillman announced September 18 that as a result of a meeting between James Rossell, OPM labor relations assistant, and industrialists in Wilkes-Barre and Hazleton, Pa., at least 1,000 power machine operators could be employed in garment manufacturing plants in that area.

The meeting, which was attended by 31 employers, was called by Mr. Hillman to discuss methods by which the more than 2,000 workers displaced in Wilkes-Barre silk industries could be located in other jobs or retrained for new kinds of employment.

Mr. Rossell announced that he would recommend to Mr. Hillman that training programs, sponsored by the OPM Labor Division, be set up quickly to qualify the displaced silk workers and others for the power machine jobs. The training programs will use existing training facilities and where necessary obtain machinery for the classes to be established.

Employers eager for workers

Some employers attending the Wilkes-Barre meeting said the shortage of power machine operators was acute and they would be more than eager to hire any displaced silk worker who has been qualified by training.

Mr. Rossell pointed out that under training programs already in operation, fully qualified and skilled power machine operators have been trained within several weeks in other kinds of garment manufacture and some workers have been taught necessary skills in as short a time as 3 days.

The employers were also urged to make a survey of present and anticipated labor needs and to make this information available to Mr. Hillman and the State Employment Service. Trade-union leaders, at a later session, were requested to make certain that all workers whose jobs are threatened are registered at the employment offices.

The employers agreed they would set aside age limits in considering the qualifications of displaced silk workers for power machine operating jobs.

Jobs promised for 335 displaced Scranton workers

Progress in dealing with the silk industry's priority unemployment situation in the Scranton, Pa., area was reported by Associate Director General Sidney Hillman September 17 as the result of a meeting of labor groups and employer representatives with OPM Labor Division officials.

James Rossell, assistant chief, Labor Relations Branch, informed Mr. Hillman that the meeting in Scranton September 17 brought commitments from 14 employers present to hire 335 power-sewing-machine operators as soon as they are available.

There is an immediate need for 550 power machine operators in the area, where between 1,500 and 2,000 silk workers have been displaced as a result of the stoppage of silk imports from Japan.

The meeting also developed the fact that 50 cigar workers were needed in the area, with an eventual need of 150, along with the need of training courses to prepare workers for this occupation.

Carl Holderman, director of the New Jersey Joint Board, Textile Workers of America, and an OPM Labor Division official, declared that the hiring of 550 power machine operators would necessarily involve the hiring of 200 additional workers—helpers and assistants—in the shops in which these people were placed.

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Defense Housing Branch established by Labor Division

Establishment of a Defense Housing Branch in the Labor Division of the Office of Production Management, and appointment of Joseph P. Tufts, Pittsburgh, as its chief, were announced September 19 by Associate Director General Hillman, OPM.

Mr. Tufts' duties will be to advise Mr. Hillman on needed housing for maintaining an adequate supply of labor in defense areas, and to provide Defense Housing Coordinator Charles F. Palmer and other defense housing agencies with information and advice necessary to development of the defense housing program.

Mr. Tufts will serve as a member of OPM's Housing Priorities Section and of the OPM Labor Supply Committee.

Theodore A. Veenstra, of Harrisburg, Pa., will assist Mr. Tufts as economic analyst.

HOUSING . . .

90-percent mortgage insurance approved for 14 new localities

President Roosevelt last week approved 14 new localities in which homes may be financed under the liberalized insurance provisions of Title VI of the National Housing Act, upon the recommendation of Defense Housing Coordinator Palmer.

The act permits 90-percent mortgage insurance to operative builders on multi-unit developments in localities "in which the President finds that an acute shortage of housing exists or impends which would impede national defense activities."

Title VI was designed to speed production of defense housing by private industry. This type of financing complements existing FHA facilities in the home-financing field.

The housing which is expected to be made available through this legislation is intended to alleviate shortages of housing in defense areas. Workers whose earnings amount to \$1,800 to \$3,000 annually can, economically, buy or rent the moderately priced homes built under this title.

In his letter to the President, Mr. Palmer recommended that this financing

method should not be utilized in excess of defense housing needs as determined by the Division of Defense Housing Coordination.

Newly approved areas

The following are the newly approved areas and the defense activities most important in each:

Arkansas.—Fort Smith, Army camp.

Georgia.—Valdosta, Army air school.

Louisiana.—Baton Rouge, Army air field chemical plant; Minden-Shreveport, Air base ammunition plant.

Minnesota.—Minneapolis-St. Paul, Ordnance components.

Missouri.—Joplin-Neosho, Army camp.

Oklahoma.—Enid, flying school.

Pennsylvania.—York, Artillery components.

South Carolina.—Sumter, Air Corps flying school.

Tennessee.—Chattanooga-Cleveland, TNT plant.

Texas.—Cuero, contract flying school; Denison-Sherman, Air training school; Midland, Twin engine and bomber air school; Lubbock, Twin engine air training school.

948 homes for defense completed in week

Charles F. Palmer, Coordinator of Defense Housing, has announced that 948 new publicly financed homes for families of defense workers and enlisted personnel were completed during the week ending September 13, making a total of 34,778 now ready for occupancy.

With 3,175 homes going into construction during the week, the total of publicly financed homes now being built or completed reached 88,553.

Federal funds have already been allotted for 111,545 defense homes.

FHA-inspected privately financed homes for defense workers, started during the week, totaled 4,886. Since January 1941, 156,447 such homes have gone into construction.

The total number of dormitory units for occupancy by single defense workers has reached 4,931.

President finds need for 7,390 defense homes

President Roosevelt determined September 19 that a need exists for 7,390 homes for families of industrial defense workers and enlisted personnel in ten localities, upon the recommendation of Charles F. Palmer, Coordinator of Defense Housing.

In addition, the President approved provision of 2,850 dwelling units under the temporary shelter program of the Division of Defense Housing Coordination.

Localities and the number of units programmed for each are as follows:

Permanent.—Long Beach-San Pedro Harbor, Calif., 1,400; San Francisco, Calif., 40; Springfield, Mass., 300; Houston, Tex., 150; Morgantown, W. Va., 150; Buffalo, N. Y., 3,100; Seattle, Wash., 1,500; Quantico, Va., 250; New Haven, Conn., 300; and Philadelphia, Pa., 200.

Temporary shelter.—Vallejo, Calif., 500; Baltimore, Md., 1,500; Radford-Pulaski, Va., 750; Huntsville, Ala., 100.

MEDIATION BOARD . . .

Kansas City power employees return to work; truce reached in "captive" mine dispute

The National Defense Mediation Board last week (September 15-21) worked out a formula for ending the Kansas City Power & Light Co. strike; obtained a truce under which 43,178 miners returned to work at "captive" mines in three States; opened hearings in four cases, of which two were of Nation-wide interest; received certification of two others, and extended the scope of its commission studying the Douglas fir industry.

Bituminous coal—"captive" mines

On Monday, September 15, 43,178 miners in Pennsylvania, West Virginia, and Kentucky went on strike for a union shop in the "captive" mines of the steel industry. Friday noon, the United Mine Workers of America, CIO, which called the strike, and the operators of the coal mines accepted a recommendation of the Mediation Board for a 30-day truce during which time they would attempt to work out a solution of the dispute before the Board. John L. Lewis, UMW president, promised that production in the mines would be back to normal by Monday.

The Mediation Board took jurisdiction over the dispute under the broad terms of the bituminous coal certification of last April. It promptly sent telegrams Monday to both parties asking for immediate resumption of production. The following day, Mr. Lewis answered for the UMW that the union "will defer consideration of this subject until it can be discussed at the hearing." William H. Davis, chairman of the Board and of the bituminous coal panel, told reporters that he did not consider this answer as a refusal but rather as a matter to be discussed at the hearing the following day.

Some 60 representatives of the operators and union appeared for the first day of hearings Wednesday, at which time Mr. Lewis proposed a formula for a 30-day truce. Negotiations before a panel composed of Mr. Davis, Walter Teagle, representing employers, and Hugh Lyons, representing employees, resulted Friday noon in acceptance of a Board recommendation containing the following four provisions:

1. That the United Mine Workers of America agree with the Board that it will recommend the return to work of the men now on strike in such mines for a period of thirty (30) days, and thereafter until the expiration of three (3) days' notice in writing given by the parties on either side.
2. That both parties agree with the Board to accept for said period the provisions of the Appalachian Agreement.
3. That the United Mine Workers of America agree with the Board that during such period the provisions of the Appalachian Agreement which require membership in the United Mine Workers of America as a condition of employment shall be inoperative.
4. That during such period the Board retains jurisdiction of the controversy and will continue with the parties collective bargaining negotiations in an endeavor to arrive at a mutually satisfactory agreement.

The Carter Coal Co., a commercial coal company at which a strike was called at the same time as in the "captive" mines, accepted the

recommendations with the proviso that four provisions of the Appalachian Agreement in addition to the union clause be inoperative during the truce period. The UMW agreed to make this exception. Hearings will be resumed Wednesday, September 24.

Bituminous coal—Alabama

The parties to the dispute between the Alabama commercial operators and the United Mine Workers carried on direct negotiations during the early part of the week and then adjourned for 3 days to give right of way to the "captive" mine dispute. Negotiations were resumed Friday afternoon and continued Saturday and Sunday.

Kansas City Power & Light Co.

On September 15 a panel, composed of George Stocking for the public, Rolland Hamilton for employers, and Herbert Woods for labor, opened hearings in the dispute between the Kansas City Light & Power Co., Kansas City, Mo., and two unions—the International Brotherhood of Electrical Workers, AFL, and the Independent Union of Utility Employees. The AFL union was seeking bargaining rights in two departments of the company, which supplies electric power and light to the entire area, including several defense projects. The Independent Union has a contract with the company covering these two departments. A charge that this union is company-dominated is pending before the National Labor Relations Board which has instituted contempt proceedings against the company. A hearing is set before the Eighth Circuit Court of Appeals October 11. After 2 days of hearings, the Board recommended that the parties permit the issues to be resolved by these legal processes under the Wagner Act without cessation of operations.

Five hours after the Board made these recommendations, the men went on strike at the plant, plunging Kansas City into total darkness for 4 hours. The following morning, Board Chairman Davis publicly appealed to the men to return to work and called upon the officers of the AFL and the IBEW to exert all their influence to that end.

"The National Labor Relations Act," Mr. Davis said, "which has been described as the Magna Charta of trade unionism in the United States, gives to this union an orderly method of obtaining the recognition for which it is now striking—it is labor's own Act. In this emergency the universal and ungrudging acceptance of the letter and spirit of the Act by employers is a compelling obligation. It is an equally compelling obligation on the part of labor to seek and follow its legal remedy in preference to direct action in such cases as this. All the pressure of public opinion is called for to enforce these obligations."

Dr. Stocking, panel chairman, worked out a formula for ending the strike, which had the approval of Edward J. Brown, IBEW president; George Meany, secretary-treasurer of the AFL, and H. A. Kuhn, company vice-president. Mr. Brown transmitted this proposal to the strikers Thursday afternoon and urged that they accept it and return to work. It was ratified at a union meeting early Friday morning.

The formula called for a return to work without discrimination and the appointment of a Board representative to investigate the

controversy and make recommendations. Dr. John A. Lapp of Chicago was appointed to this task on Saturday.

Curtiss-Wright Corporation & Duquesne Light Co.

A jurisdictional dispute over the installation of electrical equipment at the \$5,000,000 Curtiss-Wright Propeller plant at Beaver, Pa., came before a panel of the Board September 16. Members of the AFL Building and Construction Trades Council stopped work on construction of the plant September 10 in protest over employment of Duquesne Light Company employees, represented by the Independent Association of Employees of the Duquesne Light Company and Associated Companies, for this installation work. Hearings were held for 4 days before the panel of Charles Wyzanski, John Connelly, and Robert Watt. The Independent Union signed a statement withdrawing in the interest of national defense all claim to the Curtiss-Wright work. The offer by the Independent Union was made on the understanding that it will not be used as a precedent against it "in any current or future controversy." It was unanimously ratified Saturday night.

Lamson & Sessions Co.

Representatives of two plants of the Lamson & Sessions Co. of Cleveland, Ohio, and the United Automobile Workers of America, CIO, came in for hearings September 17 before Frank Graham, Roger Lapham, and Emil Rieve on their dispute over wages and a union shop. A threatened strike had been postponed at the request of the Board at the two plants, which make aircraft parts. Hearings were still going on at the close of the week, but many minor points of differences have been settled, clearing the way for the two main issues mentioned above.

A dispute over wages, union shop clause and vacations brought in representatives of the Aluminum Co. of America, Vancouver, Wash., and the Aluminum Trades Council, AFL, on September 18. A threatened strike of 730 men had been postponed at the Board's request. After 2 days of hearings, both parties returned home to await recommendations which will be issued before the end of this week by the panel which heard the case—Walter T. Fisher, Cyrus Ching and Herbert Woods. Until that time, both sides have agreed to maintain the status quo.

Twin District Council

The Board September 19 launched an investigation of the entire Douglas Fir industry in Washington and Oregon. The commission originally appointed by the Board to investigate a dispute in the Puget Sound area of Washington between the Twin District Council and the International Woodworkers of America, CIO, will enlarge the scope of its inquiry by including the rest of the industry. This decision was made because of the request by lumber and sawmill operators and by AFL and CIO unions in these two States that such an investigation be made in an attempt to draw a blueprint to stabilize the whole industry. Dexter M. Keezer, Wayne Morse, and Paul Eliel compose the commission.

New cases

The two cases certified to the National Defense Mediation Board last week were: Bendix Aviation Corporation of South Bend, Ind.; in dispute with the United Automobile Workers of America, CIO; and the Hendey Machine Co. of Torrington, Conn., also in dispute with the United Automobile Workers.

CIVILIAN DEFENSE . . .

Immediate air raid protection planning urged for plants; OCD issues guides

Immediate planning for protection against air raids was urged upon industrial plant managers and local defense authorities September 16 by Mayor F. H. LaGuardia, U. S. Director of Civilian Defense.

In a planning guide entitled "Protection of Industrial Plants and Public Buildings" the OCD warned the Nation that "even though the possibility of enemy air attack may be remote it is essential that protective organization be developed at once to guard against the disruption of normal activities and the safety of the personnel in an emergency." The general plan outlined in the OCD guide provides for the security of every employee and for the maintenance of a high production rate.

Dispersion of operations urged

Recognizing that the effect of a bomb is local, the OCD urges that so far as is economically possible industrial operations should be dispersed and duplicated among many small plants or buildings. Similarly each plant should be prepared to protect itself, independent of outside assistance. Closest cooperation between plant managers and local governmental authorities and defense councils is urged.

The protective organization for each plant or public building as outlined in the planning guide consists of a plant defense coordinator and four heads of divisions. The divisions are fire, police, medical, and maintenance services. Provision is made in the office of the coordinator for communications with the civil air-raid warning system, control of transportation facilities and liaison with local governmental authorities. The coordinator has full responsibility for preparing plans, organizing and equipping squads and training personnel. During an emergency he has control of the dispatch of all squads with whom he remains in contact by telephone or through cyclists and runners.

Water supply should be studied

The OCD urges as first duties of the plant fire chief that he remove all rubbish from roof spaces, and study the adequacy of water supply. It is recommended that all men assigned to fire brigades should be taught the latest methods of fighting fires and dealing with

incendiary bombs and that fire watcher squads should be organized. Rescue squads of specialists such as engineers, carpenters, bricklayers, and welders are urged. Their duties may be extended to include emergency handling of utility services. They must be able to work in silence with hand signals and must be trained in first aid.

Under the specifications set up in the planning guide, the plant police chief directs all police activities, the work of air-raid wardens and aircraft observers and training in gas defense. He also is in control of traffic and the handling of unexploded missiles. It is recommended that air-raid spotters be placed on top of a substantially constructed building in order to command an extensive view. Air-raid wardens are entrusted with the task of evacuating employees from plants to air-raid shelters and making certain that specified lights are extinguished during blackouts.

Medical services outlined

The OCD recommends that plant medical services be supervised by a physician who is qualified to handle poison-gas cases and that he be made responsible for the training of all employees in first aid.

Provision also is made for the appointment of an engineering chief whose duty is to supervise protection of building equipment and supplies. The OCD urges immediate preparation of plans for air-raid shelters, blackouts, and camouflage. Technical pamphlets giving exact information on these subjects are being prepared.

Pamphlet describes 15 defense service groups

The Office of Civilian Defense issued September 17 an illustrated pamphlet showing in colors the insignia of fifteen defense services with a description of the duties of each group.

"Every able-bodied citizen has a part in the defense of the United States," Mayor F. H. LaGuardia, Director of OCD, wrote in the foreword to the pamphlet. "Any attack upon this country must find each citizen assigned to his or her place, trained in the duties involved, and resolute to carry out those duties regardless of the danger to be faced.

"For some enrolled services, long preparation and group training are required to assure effective group action. Persons assigned to work that involves cooperation with others must be identified by an easily recognized arm band or sleeve insignia.

"Groups and services for which special training is necessary are described briefly in this pamphlet. Members of these services will be enrolled and pledged to service by the local defense council and will perform their duties voluntarily, without pay."

The fifteen services described are: Air Raid Wardens, Auxiliary Police, Bomb Squads, Auxiliary Firemen, Fire Watchers, Medical Corps, Rescue Squads, Nurses' Aides Corps, Staff Corps, Messengers, Drivers' Corps, Emergency Food and Housing Corps, Decontamination Corps, Demolition and Clearance Crews, and Road Repair Crews.

What do soldiers read?—survey shows

What do soldiers read?

Mostly tabloids and comics, according to the findings of a recent survey summarized in the forthcoming issue of the RECREATION BULLETIN of the Office of Defense Health and Welfare Services. This investigation, made under the direction of Dr. Lyman Bryson of Columbia University, with the cooperation of the Army, brought to light facts regarding the reading habits of 100 men at Fort Dix—a cross section from all parts of the country and from varying economic and social backgrounds.

The most popular form of reading was

comics, and more than 60 percent of the men questioned had shifted their newspaper reading toward tabloids. Magazine reading, with the exception of "picture papers," showed a slump.

A good many men, however, do enjoy more meaty reading. Of the books read, more than 70 percent were biographies, ranging from "Mein Kampf" to "How to Commit a Murder." Some of the most popular titles were "Out of the Night," "Mussolini," and "Readers' Digest Reader." In fiction, "westerns" were far and away the most popular.

Pool rayon released to former silk users unable to get fair share by other means

The Silk Substitution Section, OPM, announced September 15 plans for release of the pool of rayon yarn which has been built up to relieve "undue hardship" cases among manufacturers whose operations have been affected by the silk-freezing order.

This pool has been accumulating since August 4, shortly after the silk-freezing program went into effect. At that time, rayon manufacturers were instructed to set aside 10 percent of their production for former silk users. A portion of that 10 percent, amounting to 1½ percent of total yarn production, was segregated to build up the pool for "undue hardship" cases.

For immediate use

Manufacturers who prove that they are entitled to relief from this source will now be able to get rayon yarn from this pool, the section announced. Every attempt will be made to spread the available amount among the greatest possible number of legitimate applicants. It was emphasized that manufacturers able to get their fair proportion of rayon through regular trade channels will not be allowed to share in the pool.

Detailed information required

Allocations to jobbers will be made only if definite proof is furnished that the yarn is for immediate delivery to knitters or weavers, thereby resulting in the immediate employment of workers. Aside from allocations to jobbers, no yarn allocated will be permitted to be

resold in yarn form except on further specific authorization by the Division of Priorities, OPM.

Forms with which to apply for amounts from this pool of rayon yarn may be obtained on request from the Silk Substitution Section, OPM. These require detailed information as to the silk and rayon yarns consumed during each of the months from January 1941 through August 1941.

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"Grade B" pig tin classified in amendment to tin schedule

Formal amendment to the tin price schedule classifying as "Grade B" pig tin which assays 99.80 percent pure, but contains impurities exceeding the tolerances permitted for Grade A tin, was promulgated September 20 by the Office of Price Administration.

The ceiling price for Grade A tin is 52 cents a pound, while Grade B sells at a discount of three-eighths of a cent.

The definition of Grade A tin in the price schedule is "99.80 percent or higher percentage of purity, meeting the specifications set forth in 'Specifications and Proposals for Supplies, No. S-14,' issued December 15, 1939, by the U. S. Treasury Department, Procurement Division, . . ." Specifications of the Procurement Division set forth the percentages of lead, arsenic, and other impurities allowed in Grade A tin.

Sherwood named assistant OEM Liaison Officer; Dort heads Administrative Services

Wayne Coy, liaison officer for Emergency Management, announced last week that Sidney Sherwood, formerly Director of Central Administrative Services, has been appointed as Assistant Liaison Officer for Emergency Management.

Mr. Coy also announced that Dallas Dort has been appointed Director for Central Administrative Services for OEM. Mr. Dort was formerly Assistant Commissioner of the Work Projects Administration.

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Albert J. Browning appointed special assistant to SPAB

Donald M. Nelson, Executive Director of the Supply Priorities and Allocations Board, announced September 18 the appointment of Albert J. Browning, of Chicago, as a special assistant to handle various problems in connection with the SPAB program.

Mr. Browning was deputy director of the Division of Purchases, Office of Production Management, from the time OPM was set up until last April. Previously he had served under Mr. Nelson in the National Defense Advisory Commission.

President of United Wall Paper Factories of Chicago, Mr. Browning left OPM last spring because of the pressure of his business. He is one of a number of men whom Mr. Nelson is "drafting" for service under SPAB.

OFFICE FOR EMERGENCY MANAGEMENT

WAYNE COY, *Liaison Officer*

CENTRAL ADMINISTRATIVE SERVICES: Dallas Dort, *Director*.

DEFENSE AID REPORTS DIVISION: Maj. Gen. James H. Burns, *Executive Officer*.

DEFENSE COMMUNICATIONS BOARD: James Lawrence Fly, *Chairman*.

DEFENSE HOUSING DIVISION: C. F. Palmer, *Coordinator*.

INFORMATION DIVISION: Robert W. Horton, *Director*.

NATIONAL DEFENSE MEDIATION BOARD: Wm. H. Davis, *Chairman*.

OFFICE OF SCIENTIFIC RESEARCH AND DEVELOPMENT: Dr. Vannevar Bush, *Director*.

OFFICE OF CIVILIAN DEFENSE: Fiorello H. LaGuardia, *Director*.

OFFICE OF THE COORDINATOR OF INTER-AMERICAN AFFAIRS: Nelson Rockefeller, *Coordinator*.

OFFICE OF DEFENSE HEALTH AND WELFARE SERVICES: Paul V. McNutt, *Director*.

OFFICE OF PRICE ADMINISTRATION: Leon Henderson, *Administrator*.

CONSUMER DIVISION: In charge of Harriet Elliott, *Associate OPA Administrator*.

SUPPLY PRIORITIES AND ALLOCATIONS BOARD: The Vice President of the United States, *Chairman*; Donald M. Nelson, *Executive Director*; The Secretary of War; The Secretary of the Navy; William S. Knudsen; Sidney Hillman; Harry Hopkins; Leon Henderson.

TRANSPORTATION DIVISION OF THE ADVISORY COMMISSION: Ralph Budd, *Commissioner*.

OFFICE OF PRODUCTION MANAGEMENT:

William S. Knudsen, *Director General*. Sidney Hillman, *Associate Director General*.

Secretary, Herbert Emmerich. *General Counsel*, John Lord O'Brian.

PRODUCTION DIVISION: W. H. Harrison, *Director*.

PURCHASES DIVISION: Douglas C. MacKeachie, *Director*.

PRIORITIES DIVISION: Donald M. Nelson, *Director*.

MATERIALS DIVISION: William L. Batt, *Director*.

CIVILIAN SUPPLY DIVISION: Leon Henderson, *Director*.

CONTRACT DISTRIBUTION DIVISION: Floyd B. Odum, *Director*.

LABOR DIVISION: Sidney Hillman, *Director*. RESEARCH AND STATISTICS BUREAU: Stacy May, *Chief*.

BUREAU OF CLEARANCE OF DEFENSE INDUSTRY ADVISORY COMMITTEES: Sidney J. Weinberg, *Chief*.

DEFENSE



OFFICIAL WEEKLY BULLETIN OF DEFENSE AGENCIES IN THE OFFICE FOR EMERGENCY MANAGEMENT

WASHINGTON, D. C.

SEPTEMBER 30, 1941

VOLUME 2, NUMBER 39

DEFENSE PROGRESS

MANPOWER

United States Army, Sept. 25----	1,599,500
Navy and Marine Corps, Sept. 1----	352,678
Nonagricultural workers, July----	39,241,000
Percent increase since June 1940----	10.8
Sixteen defense industries, July----	2,544,000
Percent increase since June 1940----	53.8

FINANCE

June 1940-September 15, 1941 (Preliminary)

Authorized program-----	\$56,536,000,000
Army-----	24,607,000,000
Navy-----	16,978,000,000
Other agencies-----	14,951,000,000

PRODUCTION

July 1940-August 31, 1941 (Estimated)

Paid on contracts-----	\$7,272,000,000
Military aircraft in August----	1,854
Combat vessels in August----	2
Merchant ships in August----	9

Week ended September 20

Significant defense strikes	Strikes	Workers
in progress during week----	11	6,785
Number settled-----	2	1,500

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PURCHASES

For plant expansion: \$1,183,705,000 20

CIVILIAN DEFENSE

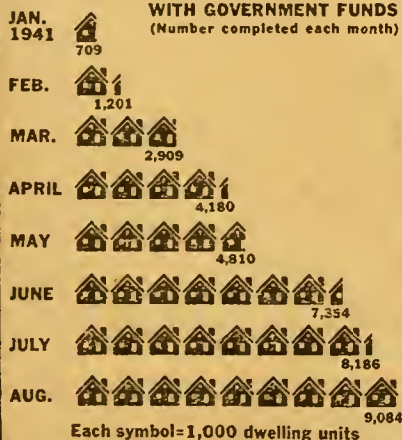
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DEFENSE HOUSING

DWELLING UNITS BUILT
WITH GOVERNMENT FUNDS
(Number completed each month)



Review of the Week in Defense

As the latest analysis showed an American defense program and foreign war orders in the United States totaling over 60 billion dollars at the end of August, new emphasis was placed last week on distribution of abundant work and scarce materials.

Priority compliance check-up

The Priorities Division of OPM announced that representatives of 200 Government field offices would visit industrial plants to see if priorities regulations were being complied with, so that the Division can "see to it . . . that supplies are directed from violators to that real majority of American industry, which patriotically cooperates." Priorities Director Nelson warned that existing orders must be obeyed. He said that any changes in the system would be gradual, with an expected increase in emphasis on direct allocation, "typically by issuing instructions as to how much of what can be shipped to whom."

The Priorities Division also announced a new plan to set aside rayon yarn for former silk users by length instead of weight, and to distribute it by suitable types; and issued interpretations and explanations of orders concerning research laboratories, plant repairs, and alloy iron. The Supply Priorities and Allocations Board authorized preparation of a plan for expansion of the dairy industry, to meet United States and British food requirements.

Field offices to aid small business

The Contract Distribution Division prepared to set up field offices in all principal industrial cities to help small business get defense work; asked 56 major defense contractors to appoint subcontracting executives; and announced the first big results in relieving community distress, with the War Department's award of a \$987,000 defense contract to an aluminum plant in Manitowoc, Wis. The financial section of the Division opened a campaign of cooperation with local banks and other lending institutions to see that no defense work, either already awarded, or

desired by the Armed Services, falls of completion through a manufacturer's lack of funds.

Defense Housing Coordinator Palmer explained that housing priorities mean there will be a plenty of dwellings to be built, but practically all for defense workers.

The Office of Price Administration followed up its regulation of ethyl alcohol prices with a ceiling on bulk sales of another industrial solvent, acetic acid. OPA also announced that a formal schedule of maximum prices on paperboard east of the Rockies would be effective October 1, and made a temporary adjustment in iron and steel scrap prices in certain areas to encourage the flow of scrap out of regions remote from factories.

The Civilian Supply Division gave automobile spare parts makers a yardstick to determine what rating should be applied to materials when the ultimate destination of the parts cannot be determined. Leading officials for the industry branches of the Division were named.

Organizational changes

Other organizational developments included appointment of key men in the new Materials Division; arrangement of the Purchases Division in industrial branches; selection of iron and steel subcommittees; and naming of 9 members to a cordage industry committee.

Members of the Seafarers International Union and the Sailors Union of the Pacific returned to work, and workers at Consolidated Aircraft postponed a threatened strike, both at the request of the National Defense Mediation Board. Other workers who similarly complied brought the week's total to 88,666.

Many more nurses needed

The Office of Civilian Defense, jointly with OPM, announced that the Nation's housewives had given enough aluminum "pots and pans" to make more than 1,900 fighter planes.

OCD and the Office of Defense Health and Welfare Services reported progress in instructing nurses and nurses' aides,

but emphasized the need for a great army of new nurses as the demands of the Services rapidly depleted the number of available to keep civilians in good health.

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U. S. defense program, plus foreign orders, over 60 billion

Analysis of appropriations for national defense and of foreign government war orders in the United States shows a total of \$60,016,000,000 by the end of August.

Of this figure United States appropriations, contract and tonnage authorization, and Reconstruction Finance Corporation commitments amounted to \$56,357,000,000, and foreign orders in the United States, most of which were British, came to \$3,659,000,000.

The largest single category was airplanes, amounting to \$12,518,000,000, or 20.8 percent of the total. Ordnance, with \$11,937,000,000 allotted, called for 19.9 percent. Third largest item was \$11,512,000,000, or 19.2 percent of the total, for marine construction, of which \$8,154,000,000 was for naval vessels and \$3,358,000,000 for merchant vessels. Industrial facilities, including machinery and real estate, are costing \$5,954,000,000, or 9.9 percent of the authorized program.

Allotments for construction of posts, depots, fortifications, and residential housing come to \$4,783,000,000 or 8 percent, while appropriations for all other purposes total \$13,312,000,000 or 22.2 percent of the total. This classification includes combat equipment other than ordnance, clothing and supplies, pay, subsistence and travel of both the armed forces and civilian defense employees.

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Hillman to tour Pacific Coast plants

Associate Director General Hillman of OPM will visit the Pacific Coast October 1 through October 10 or 12 to inspect defense plants, and to speak before the national convention of the AFL Building and Construction Trades Department in Seattle, October 1.

DEFENSE

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200 field offices of U. S. agencies to check on priority compliance

Nation-wide surveys, designed to obtain factual data which will be useful in enforcing priorities orders and regulations, are being undertaken by the compliance and field service section of the Division of Priorities with the cooperation of some 200 field offices which other Government agencies have agreed to make available.

Representatives of the Department of Labor (Wage and Hour Division), Commerce Department (Bureau of the Census), Treasury Department (Procurement Division), and Federal Trade Commission (Chief Examiners' Division) will visit plants of both defense and nondefense manufacturers to check on how priorities regulations are being complied with.

The data to be gathered by these agencies will be purely factual and any enforcement activities growing out of the survey will be handled directly by the Division of Priorities.

Number of violations indicated

One of the first jobs to be done with the help of the field offices of other Government agencies will be a check-up among plants using critical materials, in which there are now serious shortages.

Information in the hands of the Priorities Division indicates that a number of violations have occurred. In some cases, it is indicated that certain manufacturers have used preference ratings to obtain critical materials which were subsequently used for nondefense purposes.

In other cases preference ratings have been used to buy material for stock piling in violation of priorities regulations which state that excess inventories shall not be maintained.

It is believed that the number of willful violators is relatively small. Because of the critical shortages which exist, however, such violations may make it difficult for a defense manufacturer to obtain a sufficient quantity of a given material for defense production.

It is desirable, therefore, to see to it at once that supplies are directed from violators to that real majority of American industry, which patriotically cooperates, so that it may not be penalized by the "cheating" and illegal activities of a few.

The Priorities Division has its own field offices which will participate in surveys. These offices, plus the regional and district offices of other Government agencies, will give the Priorities Division over 250 field offices through which necessary information can be obtained.

Priorities must be obeyed, says Nelson; changes gradual; direct allocation stressed

Following the announcement of a Nation-wide survey of compliance with priorities regulations, Priorities Director Nelson issued a statement September 28 saying that all existing preference ratings, orders, rules, and regulations must be scrupulously obeyed in order to prevent interference with or unconscious sabotage of the defense program.

Mr. Nelson said:

Recent reorganization of the Nation's defense agencies, together with speculation about increased emphasis on allocation of raw materials, have given rise to some misunderstandings. It is well to review the facts and see where we stand today.

A number of priority rules and regulations, preference rating orders, and other legal documents, have been issued since the first of the year in the interests of defense—that is, in the interests of all of us.

These remain in effect. They will continue to remain in effect until and unless circumstances warrant changes from time to time in the future.

Wholehearted compliance is the very essence of the priorities system, and anyone who does not comply, whether through ignorance or intent, takes a position against the public good.

From time to time we will make efforts to simplify the priorities system whenever necessary. We believe that, when scattered, individual problems become broad, general problems, they must be handled along broad, categorical lines. Our limited blanket ratings are examples of such broad treatment.

Will be no sudden changes

But this does not mean that we expect, at any time, to make sudden, abrupt changes in the priorities system. The various instruments now used—the priority certificates, blanket and project ratings, allocation orders—will be continued. They have proven their usefulness. And any changes or additions to be made will be made gradually.

One development which can be expected to work itself out over a period of months is an increased emphasis on direct allocation of materials. Since the start, the Priorities Division has allocated some materials—aluminum and nickel, for example—in which serious shortages exist.

As these shortages increase, as the defense load steps up, allocation will have to be used more and more. We will have

to know exactly what requirements are and where these requirements exist; we will have to know what the supply is; we will have to make decisions as to which among competing consumers for a scarce material will get it, which uses will be aided, which will be cut.

When allocation is carried out fully,—typically by issuing instructions as to how much of what can be shipped to whom—this provides a clear-cut and exact way of dividing up any given scarce material. To the extent that allocation is used, it tends to diminish the need for use of preference rating certificates, especially among those primary consumers who are specifically selected to receive material.

In making such allocations, of course, consideration is always given to the *end use* of the material desired by a particular consumer. Thus a company using aluminum for airplanes enjoys a better standing than one using aluminum for less essential purposes.

Allocation and classification emphasized

When this field of operations has been fully explored, we can give more emphasis to two things: (1) Allocation of raw materials into industrial channels, and (2) some method of classifying end uses of these materials in accordance with the interests of defense. Allocation on the one end, classification on the other—these are two basic aspects of any sound, simple priorities system. We are already doing both to some extent; we expect to do more along the same line. To the extent that this works out, we can expect to diminish the need for individual preference rating certificates, although neither the certificates nor any other part of the present system are likely to be given up altogether.

To sum up:

1. There will be *increased emphasis* on allocation of materials and classification of end uses.

2. The priorities instruments used now *will continue to be used* as parts of the system.

3. Changes made will be *worked out gradually*, over a period of time.

4. All existing regulations and orders and certificates *must be scrupulously obeyed*, and violators will be held to account, punitive action being used if necessary.

We recognize that the priorities system has caused some hardships. We will try, in anything we do, to avoid causing any hardships which can be avoided.

CONTRACT DISTRIBUTION . .

Field offices in all principal cities to help small business get defense work

Floyd B. Odium, Director of the new Contract Distribution Division of the Office of Production Management, issued the following statement at a press conference September 26:

Offices of the Contract Distribution Division of OPM will be opened in all of our principal industrial cities as fast as the necessary manpower can be organized.

These field offices will be organized along State lines. Each State will have at least one office and some States several others reporting to the main State office. In all cases the location and number of offices will be related to the amount of industrial facilities existing in the area.

In addition to the 39 offices that the Division took over from the former Defense Contract Service of OPM and is now operating, offices are being opened immediately in Hartford, Conn.; Providence, R. I.; Columbus, Ohio; and Indianapolis, Ind.

Offices will be opened soon in a number of other cities, including Albany, N. Y.; Dayton, Ohio; Portland, Maine; Rochester, N. Y.; Spokane, Wash.; Springfield, Ill.; Springfield, Mass.; Trenton, N. J.; Wichita, Kans.; and Youngstown, Ohio.

Existing small branch offices at Harrisburg, Wilkes-Barre, and Allentown, Pa., will be enlarged.

Exact addresses of new offices will be announced as rapidly as they are ready for business.

Bane helps establish offices

This program will be carried on with all possible speed until coverage is adequate for the enormous job assigned to the Division. Mr. Frank Bane, Executive Director of the Council of State Governments, has been loaned to us by that organization to assist in establishing the new offices.

The work of the Division will be decentralized to the fullest degree possible through these field offices so that no small manufacturer need feel it necessary to come to Washington. The offices will be staffed with men well qualified to help small business get defense contracts. They will cooperate closely with all State agencies working toward the same objective, and in all the principal offices there will be representatives of the

Army and Navy and the Labor Division of OPM.

Purchases to be made by various governmental agencies will be known to these offices and the information made available to the small businessmen. Large prime contractors who are willing or anxious to find plants that can do work for them under subcontracts will also be known to these offices, and the

HIGHLIGHTS

of Mr. Odium's statement:

FIELD OFFICES: In addition to the 39 originally operating, offices will be established in all the principal industrial cities.

BIDDING: Arrangements are being made whereby bidding may be by areas in certain cases. Competitive bidding may be suspended where there is severe community distress.

CLINGS: Contractors and prospective subcontractors will confer.

EXHIBITS: Small business will be shown what it can do.

CONVERSION: When a plant with priority distress can be converted to defense production, Contract Distribution will recommend promptly to the War or Navy Department or Maritime Commission, which are cooperating, that the plant be given a contract.

ADVICE: The small manufacturer seeking defense work should go to the nearest Contract Distribution Office, with complete information about his existing facilities.

small factory owners will be advised. In turn, the facts concerning idle or prospectively idle small plants and machines will be marshalled through these offices so that effective work on behalf of small business can be done by the Contract Distribution Division with the central planning and purchasing agencies of the Army, Navy, and Maritime Commission and with large companies having huge orders that can be broken down into many subcontracts.

Much has been accomplished

An undertaking of this magnitude takes time, but much has already been accomplished.

Purchasing divisions of the Army, Navy, and the Maritime Commission have received directives from their top officials to intensify the spreading of defense work.

Arrangements are being made whereby bidding may be by areas in certain cases. In some cases, such as that of severe community distress resulting or threatened by shortages of raw materials for nondefense work, competitive bidding may be suspended altogether.

Manitowoc, Wis., is the first example of a community receiving defense work quickly after certification by the OPM that it faced serious "priorities unemployment." Action taken in this case has been previously announced. Other similar situations are under study and in process of certification.

Big contractors responding

Big prime contractors are also responding promptly to my request of a few days ago that they designate top men within their own organizations to intensify subcontracting operations and to work in close touch with the Contract Distribution Division. Several of them have already taken action along these lines.

The two advisory committees called for by the Executive order of September 4, which created the Contract Distribution Division, have been organized. In them we are enlisting some of the best brains in the country.

Small business committee

Walter W. Finke, of Minneapolis, president of the United States Junior Chamber of Commerce, has accepted chairmanship of the small business committee and the following have already agreed to serve as members of the committee:

Ben Abrams, president, Emerson Radio & Phonograph Corporation, New York City; Boyd Bridgewater, president, Bridgewater Machine Co., Akron, Ohio; W. B. Connell, manager, West Side Machine Works, Inc., Kansas City, Kans.; Alfred C. Gaunt, president, Merrimac Mills, Methuen, Mass.; P. W. Grassell, president, Wilson Steel & Wire Co., Chicago; I. L. Johnson, president, Pacific Steel Casting Co., Berkeley, Calif.; H. C. Keiner, president, Keiner-Williams Stamping Co., Richmond Hill, N. Y.; A. D. Kennedy, president, Davidson-Kennedy Co., Atlanta, Ga.; S. Alva Moog, secretary, St. Louis Spring Co., St. Louis, Mo.; Thomas J. Starke, president, Richmond Engine Co., Richmond, Va.; John H. Wilson, president, John Wilson Manufacturing Co., Wichita Falls, Tex.; D. R. Yarnall, Yarnall-Waring Co., Philadelphia.

Engineering committee

George S. Armstrong of George S. Armstrong & Co., New York City, presi-

dent of the Association of Consulting Management Engineers, Inc., has accepted chairmanship of the engineering committee and the following outstanding industrial, management, and production engineers have already agreed to serve as members:

Edwin G. Booz, Booz, Fry, Allen & Hamilton, 135 South La Salle St., Chicago, Ill.; John M. Carmody, Administrator, Federal Works Agency; Wallace Clark, Wallace Clark & Co., 50 Broad St., New York, N. Y.; Walter W. Colpitts, Coverdale & Colpitts, 120 Wall St., New York, N. Y.; Morris L. Cooke, technical consultant, Labor Division, Office of Production Management; Harry Arthur Hopf, H. A. Hopf & Co., 500 Fifth Ave., New York City; William S. Ford, William S. Ford, Inc., Milwaukee, Wis.; J. R. Lotz, president, Stone & Webster Engineering Corporation, 90 Broad St., New York City; Herbert G. Moulton, consulting engineer, 20 Pine St., New York City, representing the American Institute of Mining & Metallurgical Engineers; Edmund A. Prentiss, Spencer, White & Prentiss, New York City, representing The American Society of Civil Engineers; George T. Trundle, Jr., the Trundle Engineering Co., 1501 Euclid Ave., Cleveland Ohio; D. J. Walsh, Jr., Sanderson & Porter, 52 William St., New York City; John A. Willard, Bigelow, Kent, Willard & Co., 75 Federal St., Boston, Mass.

In addition, this committee will include one representative each, yet to be named, for the American Society of Mechanical Engineers, the American Institute of Chemical Engineers, and the American Institute of Electrical Engineers.

Committees meet this week

The engineering committee will meet in Washington September 30, and the small business committee October 2.

They will advise the division with respect to organization for the huge task before it and solution of specific problems.

Robert L. Mehornay, of Kansas City, who directed the former Defense Contract Service of OPM, has agreed at my request to remain temporarily as a consultant during the expansion period. He is giving us most valuable and patriotic assistance.

John M. Whitaker, who has been consultant to Price Administrator Leon Henderson in charge of the formation of industry advisory committees, has been appointed to be my executive assistant. The best technical and administrative manpower available is being assembled by the division and additional appointments will be announced as soon as procedural requirements are met.

The objective of the division is first, last, and always to get defense production work spread out among the small plants of the country. This not only will help little business as such, along with labor, but will also speed up defense production.

Preparing for production clinics

Among other things the division is preparing to conduct a great number of de-

fense production clinics and to provide practical exhibits of "bits and pieces" that will help small businessmen determine what defense items they can make.

The clinics at which prime contractors and prospective subcontractors meet across the table for discussion and actual subcontract negotiations have proven highly successful where tried. They will be organized in numerous industrial centers.

Exhibits to be taken about the country

NEW FIELD OFFICES READY FOR BUSINESS

Four of the new field offices being opened by the Contract Distribution Division are ready for business.

These offices and their addresses are as follows:

Columbus, Ohio—305 Spahr Building, 50 East Broad Street.

Indianapolis, Ind.—Circle Tower.

Hartford, Conn.—Phoenix Bank Building, 805 Main Street.

Providence, R. I.—Industrial Trust Building, Westminster Street.

will show the operators of small factories what is needed and give them a clearer picture than they can obtain from specifications and blueprints. Some of the exhibits will be transported from point to point. Other locations, including such centers as New York, Philadelphia, Cleveland, Chicago, St. Louis, and San Francisco, will be selected for permanent exhibits in which, of course, the "bits and pieces" shown will be changed from time to time as different needs develop.

Conversion is urgent problem

The most urgent problem is the conversion to defense production of factories being cut off from civilian production on account of shortages of raw materials and priorities. Such cases are being certified to us by the Labor Division of the Office of Production Management and we are giving first attention to the problem of determining whether the facilities involved can do defense work. In cases where they are adaptable we will recommend promptly to the War or Navy Departments or the Maritime Commission that they receive contracts.

With defense orders that will take many months to fill piled up in some places, and with defense materials needed badly at many qualified small plants now idle or partially so, the answer is simple and overdue. It is to spread the work, spread the benefits of the work, and speed up production.

Big manufacturers can do their part right now, on their own, by passing as much work as possible on under subcontracts. Simple work should not be retained and difficult work subcontracted. It's got to be done the other way around if we're going to mobilize all our resources and finish this defense job in time.

While the organization work involved is exceedingly great the job is beginning to take form. Results will be cumulative. At the start selection must be made of the most critical of many urgent problems.

Until we get the division more fully organized my advice to small manufacturers seeking defense work is simply this: Go to the Contract Distribution Office nearest you with full information as to your plant's equipment. These offices will do all they can with their existing facilities to help you get defense work either from the Government, or as subcontractors, from existing prime contractors.

Offices previously established are located in Federal Reserve Banks and Branch Banks in the following cities:

Atlanta, Baltimore, Birmingham, Boston, Chicago, Cleveland, Dallas, Denver, Detroit; El Paso, Tex.; Helena, Mont.; Houston, Tex.; Kansas City, Mo.; Little Rock, Los Angeles; Louisville, Ky.; Memphis, Nashville, New Orleans, New York City, Oklahoma City, Omaha, Philadelphia, Pittsburgh; Portland, Oreg.; Richmond, Va.; Salt Lake City, San Antonio, San Francisco, and St. Louis.

Other previously established offices are located as follows:

Buffalo, Traders Bank Building, Room 212, Main and Swan Streets. Charlotte, N. C., New Liberty Life Building. Cincinnati, Union Trust Building, Room 804. Des Moines, 505 Crocker Building. Jacksonville, 504 Hildebrandt Building. Milwaukee, 1124 First Wisconsin National Bank Building. Minneapolis, 240 Rand Tower Building. Newark, 178 Sussex Avenue. Seattle, National Bank of Commerce Building.

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800 REA cooperatives invited to aid rural defense

OCD Director LaGuardia expressed gratification September 25 at the announcement that 800 Rural Electrification Administration cooperatives throughout the United States have been invited to participate in rural and county defense councils. The cooperatives include two-thirds of the 3,000 counties in the United States.

Mayor LaGuardia said that the nine regional directors of the Office of Civilian Defense and the State defense councils would welcome the active participation of the REA cooperatives because of their particular facility in promoting the defense program in the rural areas.

Aluminum plant given defense contract of \$987,000 to combat local unemployment

New machinery established to spread defense work into factories and communities threatened with severe "priorities unemployment" produced results September 24 in the first case considered.

The War Department awarded a \$987,000 contract to the Aluminum Goods Manufacturing Co. of Manitowoc, Wis., following certification by the Office of Production Management that the community of Manitowoc was suffering severe unemployment due to lack of aluminum for "pots and pans." Skilled labor forces of value to the defense program were in danger of being scattered unless the community obtained additional defense work.

With the approval of Under Secretary Robert P. Patterson, Major Gen. E. B. Gregory, the Quartermaster General, made the award upon the recommendation of the Contract Distribution and Labor Divisions of OPM and the Army Contract Distribution Division headed by Lt. Col. Ray M. Hare.

Other companies get awards too

Defense work was provided in the same award for a number of other aluminum goods manufacturers who, although their firms or communities have not been certified for special treatment thus far, cannot obtain further aluminum for non-defense production. These companies and the awards to each were as follows: Aluminum Cooking Utensil Co., New Kensington, Pa., \$608,600; Landers, Frary & Clark, New Britain, Conn., \$222,600; Massilon Aluminum Co., Massilon, Ohio, \$101,337.50; Illinois Pure Aluminum Co., Lamonte, Ill., \$160,000.

The awards cover aluminum canteens, canteen cups, and meat cans, all part of the soldier's field equipment.

The community of Manitowoc, Wis., was the first certified by the OPM for "priorities unemployment" relief because it is heavily dependent for its livelihood on the aluminum goods manufacturing industry. In 1940, over 2,000 of the 3,900 employees in manufacturing industries in Manitowoc were employed in the aluminum goods industry.

With the curtailment of the flow of aluminum for nondefense production, sweeping reductions in employment have

occurred in the aluminum working plants of the community. Since last March the Aluminum Goods Manufacturing Co., largest producer of aluminumware in the

country, has laid off 563 of its force of 2,583 employees. This situation threatened to grow much worse as inventories were exhausted. Recently the company received a contract for one million 37 mm. shell casings but continuous use of machinery available for this work would employ only a small part of the normal working force.

Odlum asks 56 major defense companies to appoint subcontracting executives

It was announced last week that Floyd B. Odlum, Director of OPM's new Division of Contract Distribution, had asked each of 56 companies holding major defense contracts to appoint an executive in charge of subcontracting. Mr. Odlum's letter to the companies follows:

Recently, the President appointed me Director of the Division of Contract Distribution. The most important duty of this new division is to bring about as quickly as possible a wider distribution of defense orders among small businesses and small communities, and to speed the defense effort. The enormity of this undertaking is exceeded only by its importance to the preservation of this country's way of life.

Orders piled up in a few plants

Orders for defense goods have piled up in a comparatively few of the larger more efficient plants of our country. At the same time many smaller plants able to work, but lesser known to Procurement Offices or less efficient have been without work.

Because of the tremendous all out defense effort, thousands of small businesses which have been busy up until now face a shut down due to lack of materials for civilian production.

Thousands of communities depend on the operation of these small businesses.

The personnel of these small enterprises represents the solid backbone of our country. They are our church leaders, our civic workers, our charity heads, our supporters of fraternal and public spirited organizations.

You can well imagine the social catastrophe and economic dislocation which might follow if these small enterprises are put out of business.

"We must have practical action"

Such a tragedy must not happen and with your help it will not happen. Letter writing will not help. We must have practical action at once. As a first step

in this practical action, I request you, if your company has not already done so, to appoint one of your ablest executives to take charge of subcontracting to small enterprises and organize it intensively within your ranks. I want this man also to be appointed to act as liaison officer between my division and your company. He will bring your problems to us and our problems to you.

This new responsibility is both a challenge and an opportunity.

It is a challenge to big business to quickly organize itself so that it can subcontract on a large scale.

It is an opportunity to show the Nation that big business is a friend of little business and that in this great crisis it served as little business' best friend.

May I have your immediate action. Please notify me at once the name of your executive selected.

These are the companies to which Mr. Odlum's letter was sent:

Bethlehem Steel Corporation, New York Shipbuilding Corporation, General Motors Corporation, Curtiss-Wright Corporation, Newport News Shipbuilding & Dry Dock Co., E. I. duPont de Nemours & Co., Inc., Glenn L. Martin Co., Consolidated Aircraft Corporation, United Aircraft Co., Douglas Aircraft Inc., United States Steel Corporation, Seattle Tacoma Shipbuilding Co., Boeing Airplane Co., Bath Iron Works, General Electric Co., Ford Motor Co., Electric Boat Co.

North American Aviation, Inc., Cramp Shipbuilding Co., Sperry Corporation, Bendix Aviation Corporation, Western Cartridge Co., Consolidated Steel Corporation, Los Angeles Shipbuilding and Dry Dock Corporation, Baldwin Locomotive Works, American Car and Foundry Co., American Woolen Co., Chrysler Corporation, Packard Motor Car Co., Tampa Shipbuilding Co., Inc., Republic Aviation Co., Grumman Aircraft Engineering Corporation, American Locomotive Co., Ingalls Shipbuilding Co., White Motor Co., Lockheed Aircraft Corporation, Vultee Aircraft, Inc., Fairbanks Morse & Co., Continental Motors Corporation.

Gulf Shipbuilding Corporation, Stevens, J. P. & Co., Western Electric Co., Inc., Moore Dry Dock Co., Atlas Powder Co., Diamond T. Motor Co., Studebaker Corporation, Manitowoc Shipbuilding Co., Hercules Powder Co., Lake Washington Shipyards, Savage Arms Corporation, Bell Aircraft Corporation, Todd & Brown, Inc., Northern Pump Co., Willamette Iron & Steel Corporation, Crucible Steel Co. of America, Arma Corporation.

MEDIATION BOARD . . .

Seamen call off 10-day strike; threatened aircraft walk-out postponed

Through the action of the National Defense Mediation Board last week (September 22-28), a total of 88,666 men either returned to work or postponed threatened strikes. There has been only 1 week in the Board's history when this figure has been exceeded. That was the last week in April when 400,000 coal miners returned to work and 160,000 employees of General Motors postponed a threatened strike at the Board's request. The Board also obtained a settlement in one case; made recommendations in three more; reached an interim agreement in one case, and received certification of two new cases. At the close of the week there was a work stoppage in only one Board case, involving 1,400 men. In 80 additional cases, a total of 879,600 men were at work.

Seamen call off strike

Most important action of last week was the successful request by the Board that the Seafarers International Union and the Sailors Union of the Pacific, both AFL, call off their 10-day strike which had tied up 26 ships bound for defense bases in the West Indies. Shortly before the Board wired the parties September 24 asking them to end the strike, President Roosevelt told a press conference that the ships must move and expressed his belief that the Mediation Board would settle the controversy, which was over the amount of the war bonus to be paid the men. The Maritime Commission had seized three of the vessels. Hearings were set for September 29. The unions agreed to postpone a threatened strike of 20,000 men on all the lines under contract with the Seafarers International Union.

Consolidated Aircraft Co.

The Board last week succeeded in obtaining postponement of a threatened strike of 22,000 employees of the Consolidated Aircraft Co. of San Diego, Calif., over a demand of the International Association of Machinists, AFL, that wages be increased 10 cents an hour. The company had signified its willingness to grant a 5-cent increase and the case was certified September 24. It is set for hearings October 2.

Bituminous coal—Alabama mines and captive mines

Hearings in the dispute between the Alabama coal operators and the United Mine Workers of America, CIO, continued all week through Friday, at which time they were recessed until October 2. The hearings in the captive mines dispute reopened Wednesday, September 24, continued through September 26, then adjourned to October 7. Full production was resumed in the captive mines on Monday, September 22, under the terms of a 30-day truce recommended by the Board.

Bendix Aviation Corporation

On September 24, hearings were opened in the dispute between the Bendix Aviation Corporation, South Bend, Ind., and the United Automobile Workers, CIO, over the displacement of men by women at lower wages. The union claimed that the company had violated their contract. A strike of 8,400 workers threatened for September 16, had been postponed at the request of the Board. The company is the Nation's largest producer of aviation carburetors. A panel composed of Charles E. Wyzanski, Jr., Cy Ching, and James B. Carey obtained an agreement from both parties to allow a Board representative to make a binding determination as to whether the contract had been violated. The Board appointed George W. Taylor, impartial umpire for the UAW and the General Motors Corporation. If Mr. Taylor holds against the company, the women will be given the same pay as men on the job, the increases to be retroactive to the date of their employment.

The Board also recommended that the parties should begin promptly to discuss plans which the company has for installing a training and upgrading program. These discussions should include, the recommendations state, "appropriate guarantees to the workers and appropriate steps to aid the maximum production of defense material." The Board will appoint a representative to sit in on these negotiations as a mediator. The recommendations were accepted by both parties, subject to ratification by the union membership.

Hendey Machine Co.

The dispute between the Hendey Machine Co., Torrington, Conn., and the United Automobile Workers, CIO, came before a Board panel of Walter Stacy, Charles Adams, and Emil Rieve on September 26. A strike of 1,429 workers since September 5 had been called off at the Board's request and the men returned to work September 22. The plant is making machine tools. The union was asking for a wage increase, a union shop, and a 10c differential for the night shift. Two days of hearings resulted in an agreement Saturday that the Board appoint an investigator to study, at the company's expense, the feasibility of putting an incentive plan into the plant which would both increase production and raise the earnings of employees. The firm of Stephenson, Harrison and Jordan of New York has been appointed and after their report is made, hearings will be resumed.

Consolidated Edison Co.

On September 25, the Board issued recommendations in the dispute between the Consolidated Edison Co. of New York, the International Brotherhood of Electrical Workers, AFL, and the Brotherhood of Consolidated Edison Employees. The Board found that Local 3's claim to jurisdiction over the electrical work on the jobs at Waterside and Sherman Creek was not well taken and recommended that there be no change in the present allocation of that work, which had been allotted to the independent union. The Board found no basis for recommending a particular line of demarcation to govern the allocation of future work as between the two unions. However, to avoid a general strike which would cripple the Greater

New York area, the Board recommended that when such a controversy arises in the future and a fair solution cannot be worked out by the parties, they avail themselves of the offices of the New York State Mediation Board.

Marlin-Rockwell Corporation

The Marlin-Rockwell Corporation and the United Automobile Workers, CIO, came in September 22 for further hearings before the panel of Frank Graham, Cy Ching, and Hugh Lyons. Two days of hearings lasting to 1:30 a. m. the second night resulted in a complete contract being signed by both parties. The contract included the terms of the Board's recommendations for settling this dispute and the men returned to work on the night shift September 24. A strike had been called at this plant September 19 to protest against the refusal of the company to accept the recommendations of the Board on wages for women and vacations with pay. The strike involved 1,225 workers making ball bearings for plane motors. When the meetings ended last week with the signing of the contract, both parties pledged themselves to cooperate fully in the future.

Aluminum Co. of America

On Friday, September 26, the Board issued recommendation in the dispute between the Aluminum Co. of America, Vancouver, Wash., and the Aluminum Trades Council, AFL. The main issue in the dispute was the union shop, over which a strike of 730 workers had been threatened only to be postponed at the request of the Board. The Board recommended that the union shop demand be deferred pending negotiation of a master agreement covering not only the Vancouver plant but also other plants of the company where the AFL is the recognized collective bargaining agency.

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Nine members appointed to cordage industry committee

Appointment of nine men to a Defense Industry Advisory Committee for the hard fiber cordage industry was announced September 26 by the Bureau of Clearance of Defense Industry Advisory Committees.

This industry manufactures cordage from Manila fiber, which is a strategic fiber used in making rope for the Navy, and Maritime uses, and also manufactures binder twine, used largely for agriculture.

Personnel of committee

Membership of the committee follows:

E. W. Brewster, treasurer and general manager, Plymouth Cordage Co., North Plymouth, Mass.; F. P. McCann, vice president, Tubbs Cordage Co., San Francisco, Calif.; E. D. Martin, general manager, Hooven & Allison Co., Xenia, Ohio; S. W. Metcalf, president, Columbian Rope Co., Auburn N. Y.; S. Howard Rugg, E. T. Rugg Co., Newark, Ohio; John U. Barr, Federal Fibre Mills, Inc., New Orleans, La.; W. C. Cating, Jr., vice president, Cating Rope Works, Inc., Maspeth, N. Y.; H. A. Whitlock, president, Whitlock Cordage Co., New York City; and Waldo Reiner, Wall Rope Works, Inc., New York City.

PRIORITIES . . .

Priorities for dairy industry's expansion will be provided to speed vital foods

Because of the need for expanding dairy production to meet United States and British food requirements, the Supply Priorities and Allocations Board announced September 25 that special attention will be given to the provision of equipment necessary for this expansion.

Executive Director Donald M. Nelson has been authorized to prepare a priorities plan, in cooperation with the Department of Agriculture, whereby materials needed for manufacture of equipment required for a moderate expansion of the dairy industry may be obtained.

Contingent on conservation

Provision of these materials is to be made contingent, however, upon adoption by the industry of methods for saving scarce materials through conservation, substitution, and the simplification of equipment.

Expansion is needed chiefly in the pro-

duction of evaporated and condensed milk, cheese, and dried milk.

Because of the pressure of domestic and Lend-Lease needs, SPAB agreed that some expansion of these productive facilities is called for.

Further consideration will be given to other farm equipment, whose manufacture involves the use of various critical materials vitally needed for defense. SPAB directed Mr. Nelson to work with the agricultural implement industry and the Department of Agriculture to determine the minimum needs, by general classifications, of manufactured items which agriculture must have in order to produce the required volume of foodstuffs. SPAB hopes that savings can be made through conservation, substitution, and simplification; through the repair of existing equipment where possible, and through a more efficient use of equipment now on hand, so that agriculture's needs may be met.

General Metals Order No. 1 revoked; restrictions remain

General Metals Order No. 1, issued by the Priorities Division of the Office of Production Management on May 1, 1941, was revoked September 23 in an order signed by Priorities Director Nelson.

The general metals order placed 16 metals and types of metals under inventory control. Since then a number of these materials, including copper, and iron and steel products, have been placed under mandatory industry-wide control, and removed from the provisions of the earlier order.

Priorities regulation No. 1 contains same restrictions

The termination of General Metals Order No. 1 does not lift the restrictions it imposed, however, as these are included in Priorities Regulation No. 1 issued August 27, 1941. The paragraph dealing with inventories of all materials, including metals, reads as follows:

Unless specifically authorized by the Director of Priorities, no person shall, after the effective date of this regulation, knowingly make delivery of any material whatever, and no person shall accept delivery thereof, in an amount, quantity or number which will increase for any current month the inventory of such material of the person accepting delivery, in the same or other forms, in excess of the amount, quantity or number necessary to meet required deliveries of the products of the person accepting delivery, on the basis of his current method and rate of operation.

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How to apply for research laboratory priorities

There has been some misunderstanding among research laboratories as to the proper method of applying for the A-2 preference rating assigned to deliveries of materials and equipment to them, in Preference Rating Order P-43.

All applications should be filed on PD-88, and directed to the Chemical Branch, Office of Production Management, Washington, D. C.

The fact that the National Academy of Sciences is being asked by the Priorities Division to pass upon certain applications does not mean that any requests should be addressed directly to the Academy by laboratories interested in the plan. All correspondence should be with the OPM Chemical Branch.

Conflict in orders eliminated for zinc producers

Priorities Director Nelson has issued an interpretation clearing up a contradiction that has existed between the terms of General Preference Order M-11, which sets forth the manner in which producers of zinc must ship to customers, and the paragraph in Priorities Division Regulation No. 1 which made mandatory the acceptance of all defense orders.

The necessity for this interpretation arose from the fact that under the terms of the zinc order—a producer, after setting aside a stipulated amount for the zinc pool, must ship to each of his customers a pro-rata amount of his commitments to them. If, after making deliveries to one customer, the producer were required to accept a defense order, it might make impossible compliance with this requirement. It has been ruled, therefore, that to this extent Regulation No. 1 does not apply to producers of zinc.

Persons needing metallic zinc, zinc oxide, or zinc dust to fill defense orders, who are experiencing difficulty in obtaining these materials, should make application to the Zinc Branch of the OPM for allocations, as in the past.

Alloy iron as used in M-21—a does not include ferro-alloys

Supplementary Order No. M-21-a issued by the Division of Priorities on September 16 relates to "Alloy Iron, Alloy Steel, and Wrought Iron."

The iron and steel section of the OPM said September 26 that alloy iron as used in the order does not include ferro-alloys, as has been assumed in some quarters.

Alloy iron as used in the order means iron castings containing any one or more of the alloying elements mentioned in the order in excess of the percentages fixed.

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OCTOBER ZINC POOL

The emergency zinc pool for October was announced September 26.

Producers of metallic zinc will set aside an amount equal to 27 percent of their August production. This will amount to approximately 20,400 short tons.

Producers of zinc oxide and metallic zinc dust are not required to set aside any part of their production for October use.

End of fiscal year in 1940 is "working minimum" model in granting repair priorities

Preference Rating Order P-46 issued by Priorities Director Nelson on September 17, 1941, stipulated that the assistance which it extends in securing repair parts could not be used until a producer's inventory and stores of material of the same class had been reduced to a practical working minimum. This minimum was set as that on hand on December 31, 1940.

Because it has been found that a number of public utilities have fiscal years other than the calendar year, the order has been amended to authorize a producer to use the closing day of its fiscal year which ended during 1940, as the basis for determining a practical working minimum inventory.

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Plants in foreign countries excluded from repair orders

Priorities Director Nelson issued September 26 interpretations to the two repair orders, P-22 and P-46, which extend priority assistance in obtaining materials for essential repairs, to certain listed industries and public utilities.

The interpretations restrict the application of priority ratings to property and equipment located within the continental United States, its territories, and possessions. Plants operated in foreign countries by American interests do not qualify under the terms of the orders.

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Plant repair rating can be applied to old orders

Priorities Director Nelson announced September 20 an interpretation of Preference Rating Order P-22. This order, issued on September 9, assigns a priority rating of A-10 to materials for essential repairs to plants in certain listed essential industries.

Under the terms of the interpretation, it is now permissible to apply the A-10 rating to orders which had been placed previous to the issuance date of the priorities order.

Order sets aside rayon yarn by length, distributes types according to needs

An order changing the manner in which rayon yarn is to be made available to former users of silk and setting up a formula by which the supply can be divided equitably among former silk and rayon users was issued September 25 by the Division of Priorities, on recommendation of the Silk Substitution Section.

The order replaces the temporary program worked out immediately after the silk freezing order went into effect, and is to become effective October 1.

In substance, it directs that the quantity of rayon yarn which is to be set aside for former silk users is to be measured by length instead of by weight; it also changes the method of distributing this yarn so that both hosiery and non-hosiery manufacturers can get the type of yarn best suited to their needs.

Viscose or cuprammonium yarn

Thus, instead of setting aside 10 percent of total production, in pounds, the producer of viscose or cuprammonium yarn is instructed to set aside fine yarn equal to the production of 9 percent of his active spindles—excluding from this total the spindles necessary to fill any defense contracts he may hold. Yarn thus set aside is to be disposed of as follows:

An amount equal to 0.9 percent of total spindle production is to be held for disposition according to specific instructions from the Director of Priorities. This continues the pool of yarn built up for "undue hardship" cases, which the previous program built up by taking 1½ percent of total production in pounds.

An amount equal to 0.45 percent of total spindle production is to be made available immediately for purchase by former silk users who make articles other than hosiery.

The balance of the amount set aside—7.65 percent of total spindle production—is to be made available immediately for sale to hosiery manufacturers.

Acetate rayon regulations

Similarly, the producer of acetate rayon is required to set aside fine yarn equal to 5 percent of his total active spindle production—with spindles needed to fill defense contracts again excluded from the count. This yarn is to be disposed of as follows:

An amount equal to 0.5 percent of total spindle production goes into the "undue hardship" pool.

An equal amount is to be made available for immediate sale to hosiery manufacturers.

The balance—4 percent of total spindle production—is to be made available immediately for sale to former silk users who make products other than hosiery.

In this way, the bulk of the viscose and cuprammonium yarn is set aside for

hosiery manufacturers, who state that this type of rayon is best suited to their needs, while most of the acetate yarn goes to nonhosiery manufacturers, who in turn say that type is preferable for their uses.

Old "hardship" pool held for release

Producers who have in their possession yarn set aside for "undue hardship" cases on the old 1½ percent basis are instructed to continue to hold this until it is allocated by the Director of Priorities. If it is not allocated by November 1, it may be sold to any purchaser.

None of the yarn held in the "undue hardship" pool may be sold except when specifically authorized by the Director of Priorities. The order provides that a manufacturer who accepts an unauthorized delivery of such yarn, or who otherwise violates the provisions of the order, may be prohibited from obtaining further deliveries of yarn from the pool.

Basic monthly poundage established

An important part of the order is the provision of a basic monthly poundage which the former silk user may buy. A formula is set up by which all purchases of the yarn set aside under this program must bear a direct relation to the purchasing manufacturer's, jobber's or converter's previous consumption of silk, the relation varying with the denier, or size, of the yarn.

Purchasers are required to fill out certificates, giving the information from which it may be calculated whether the amounts being bought are within the basic monthly poundage limit; and no rayon producer or jobber may make a sale of yarn set aside under this order unless he first receives a certificate from the purchaser. A manufacturer may not buy from all sources put together more of the reserved yarn than his basic monthly poundage; nor may he own, control, or hold in inventory at any time an amount of reserved yarn in excess of that poundage.

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10,000 ARMY NURSES NEEDED

More than 10,000 nurses are needed for the Army Nurse Corps, the War Department announced September 18.

Defense housing critical list

In announcing September 19 that priorities would be granted for 200,000 privately financed defense housing units, (see DEFENSE, September 23) the Priorities Division issued a list of materials to which the preference ratings were applicable.

The list is printed below:

1. This list is based upon the critical position of the materials involved as of the date of issue hereof and since that position may change at any time this list is subject to revision whenever affecting circumstances warrant such action.

2. Herein included are all items for which priorities assistance will be given for the construction of defense housing, including Government owned, or assisted, and privately financed. Any materials under priority control not listed herein and which may be deemed essential in a given project by those constructing it, shall be handled as an independent item for priority consideration and will be considered on its merits in relation to that project.

3. Any material not requiring priority assistance may be used in any defense housing project at the discretion of those constructing the project, provided such use of the material is consistent with any other regulation that may govern the project.

4. The preference rating granted to a project will apply only to the materials listed herein and only in such quantities as the Office of Production Management may permit under the order granted. This limitation, unless otherwise defined shall lie within the limits of good practice.

STEEL AND IRON—to include only:

1. Reinforcing steel, including rods, mesh, fabric, tie wire, and accessories, for concrete and masonry construction.

2. Structural members—to include only (a) Bearing plates, under 6 pounds; (b) Joist hangers—multifamily dwellings only; (c) Anchors, bolts, tie rods, dowels, and cleats; (d) Angle lintles—over openings in veneer masonry walls only.

3. Steel stairs, rails, etc.—only for multifamily dwellings where necessary for fire hazard protection—concrete preferred. Uncoated ferrous metal.

4. Insect screen mesh—made only of (a) Painted steel; (b) Thin coat galvanizing and lacquered.

5. Fire doors and their frames for multifamily dwellings only—wood cored with terne-plate covers.

6. Roofing devices, flashings, half-round gutters, hangers and downspouts—to include only: (a) Steel not heavier than 26 gauge, uncoated or phosphate treated and painted, or zinc coated by electrical process and phosphate treated and painted, or 2 pound lead; (b) Gravel stops, as for item "a" or asphalt dipped steel; (c) Roof ventilators (aspirator type) as for item "a"; (d) Termite shields for infested areas only—as for item "a"; (e) Wire basket strainers only for downspouts connected to sewer lines—zinc coated; (f) Scuppers, and downspout connections for flat roofs—ferrous metal zinc coated.

7. Lath—to include only: (a) Ferrous metal, paint dipped. Limited to fire-resisting partitions, ceilings and soffits, and to wall tile bed base, and where gypsum lath and gypsum plaster is not permitted; (b) Corner reinforcing—ferrous metal, paint dipped. Limited to not more than 2½ inch lap on each surface of internal angles and on each surface where different kinds of plaster base abut each other. Corner beads for vertical corners only, paint dipped ferrous metal generally, zinc coated only where exposed to moisture or extreme conditions of

humidity; (c) Exterior stucco base, woven or welded fabric, nonmetallic coated; zinc coated before fabrication, optional in California coastal district only.

8. Builders and cabinet hardware—with parts of steel or iron only except necessary bushings and pin tumbler assemblies of brass or bronze and, optionally, latch bolts, dead bolts, and stop buttons in exterior lock assemblies of brass or bronze; knobs, push plates, drawer and other pulls of glass or other nonmetallic material. Exposed steel parts for exterior use, Japanned or primed for painting, lacquered over phosphate coating or cadmium coated, and excluding finishes of zinc coating, nickel or chromium plating except as below noted: (a) Nails, screws, bolts, nuts, and washers ferrous metal generally uncoated; zinc coated, optional, for roof coverings and wall ties only; (b) Wall ties zinc coated for masonry veneer over frame construction; (c) Pulleys and sash balances: (1) uncoated Japanned or primed for painting ferrous metal; (2) electroplated

WHAT HOUSING PRIORITIES WILL MEAN

to builders and to the public is discussed by Defense Housing Coordinator Charles F. Palmer on page 16.

zinc on ferrous metal spiral and similar sash balances; (3) weights, cast iron; (d) Self-releasing fire exit-devices, as for builders' hardware above; (e) Wood venetian blind hardware and shade fixtures, ferrous metal, primed for paint or lacquered.

NOTE.—Hardware used exteriorly under extreme exposure conditions—as in salt air, zinc coated in lieu of as above listed.

9. Glazing points, zinc.

ELECTRICAL—to include only:

NOTE.—Roughing-in material limited to the recommendations of the electrical supplies industry on file in the Priorities Section, OPM.

1. Underground materials.

2. Overhead materials.

3. Entrance (main) service switch and meter pan or receptacle.

4. Meter.

5. Circuit breaker type distribution panels.

6. Fuse type distribution panels including fuses.

7. Interior wiring method: (a) For non-fireproof construction—(1) Knob and tube, wire and fittings; (2) Wire, and nonmetallic sheathed cable; (3) Flexible metallic conduit and armored cable, zinc coating limited in thickness to that of standard electroplate for this material; (b) For fireproof construction—(1) Wire; (2) Rigid steel conduit, enameled; (3) Flexible metallic conduit or armored cable, coated as above noted.

8. Conduit fittings, outlet boxes and wiring devices—number limited, see Note.

9. Plates—switches and convenience outlets, nonmetallic.

10. Lighting fixtures—except aluminum and solid brass or bronze, copper and brass plating permitted: (a) Indoor fixtures, light gauge spinings, stampings, and drawings; nonmetallic (glass, plastics, porcelain, etc.) wherever practicable; (b) Outdoor fixtures and standards, cast and wrought ferrous metal only.

11. Electrical accessories: (a) Wiring, bells, buzzers, push buttons, and transformers—multifamily dwellings only; (b) Lock releases—multifamily dwellings only; (c) Entrance door communication—multifamily dwellings only; (d) Public telephone systems.

PLUMBING AND GAS DISTRIBUTION SYSTEMS—to include only:

1. Cast or stamped ferrous metal, enameled and vitreous ware plumbing fixtures, the latter wherever practicable.

2. Fixture Fittings and Trimmings—Base metal limited to ferrous metal, yellow brass and zinc die castings with plating of flashed copper and nickel or unplated.

3. Drainage and Venting Systems—to include only: (a) Cast iron pipe and fittings; (b) Galvanized steel pipe, wrought iron pipe and malleable fittings generally nonmetallic coated; (c) Ferrous metal and brass tubing traps, clean-cuts and connections for fixtures (Brass limited to minimum necessary).

4. Water Distribution Systems—to include only: (a) Galvanized steel or wrought iron pipe and malleable fittings, or cement lined cast iron pipe and fittings—lead wherever practicable, inside buildings only; (b) Valves—iron and (brass limited to minimum necessary and used for seats only wherever practicable).

5. Water heaters (storage type) and hot water storage tanks—made only of: (a) Galvanized sheet—only where local conditions necessitate; (b) Black steel, painted; (c) Coated steel (enamel or glass lined); (d) Brass valves, connections and controls for water heaters; (e) Copper coils for storage type hot water generators and heat exchangers—multifamily systems only.

6. Water softeners for multifamily dwellings only, to have painted steel exteriors, interiors as for water heaters, etc.

7. Gas distribution system—only for items noted below: (a) Black steel pipe and fittings; (b) Valves as for water distribution systems.

HEATING AND VENTILATING EQUIPMENT—to include only:

1. Boilers—furnaces only for items noted below: (a) Boilers—ferrous metal with brass safety devices and cocks, limited to minimum practicable; (b) Furnaces—ferrous metal with zinc coated casings, interliners and baffles for gravity furnaces and with zinc coated interliners where used in forced warm air furnaces; (c) breechings—ferrous metal nonmetallic coated; (d) floor furnaces, space heaters, stoves and other similar heating devices, wherever practicable and where they may replace the above; (e) vents for heating equipment in demountable houses—ferrous metal, nonmetallic coated.

2. Accessories—consisting only of: (a) Pumps: (1) Water circulators; (2) condensation; (3) Vacuum R. L.; (b) Fans, blowers and motors—centrifugal—forced warm air systems only. Propeller—large exhaust on large multi-family units; (c) Oil storage tanks, ferrous metal—nonmetallic coated, size limited to minimum necessary, for example, not to exceed 275 gallons capacity for plants serving less than five families; (d) expansion tanks for hot water systems—ferrous metal, nonmetallic coated.

3. Distribution materials—consisting only of: (a) piping—ferrous metal, uncoated; (b) fittings—cast ferrous metal, uncoated; (c) valves; (1) vent, (2) gate, (3) globe, (4) cocks (all to be ferrous metal wherever practicable, yellow brass elsewhere, no plating); (d) traps—central steam systems for multifamily dwellings only: (1) boiler return; (2) blast; (3) bucket; (4) float and thermostatic; (e) ducts and connections: (1) ferrous metal phosphate treated and painted or untreated; (2) bright tin; (f) Hangers and brackets: (1) strap iron; (2) cast iron.

4. Radiators, convectors and registers—only for: (a) radiators and convectors of cast iron, without metal enclosure; (b) valves: (1) radiator, yellow brass unplated; (2) air valves, yellow brass unplated; (c) traps—radiator, for multifamily dwellings only, yellow brass unplated; (d) registers and grilles: (1) stamped or cast ferrous metal; (2) fabricated steel optional for large units in floor.

5. Firing Equipment—only for: (a) oil, gas and coal burners.

NOTE.—Oil burners eliminated from eastern seaboard area.

6. Control Equipment—only for: (a) damper regulators; (b) thermostats; (c) pressure controls; (1) Pressure reducing valves—multifamily only; (2) pressure stats; (3) pressure relief valves; (d) relays.

NOTE.—Above items to be reduced to minimum and plating eliminated.

HOUSEHOLD EQUIPMENT—to include only:

1. Ranges and refrigerators (as available in the industry); 2. Incinerator hardware and fittings—ferrous metal, nonmetallic coated, multifamily dwellings only. Incinerator proper, of nonmetallic material only; 3. Refuse receptacles—metal cans, zinc coated, modified as per Federal specifications or phosphate treated and painted.

LAND DEVELOPMENT ITEMS—only as noted below:

1. Wells—Reinforcing mesh for dug well slabs only.
2. Wells Casings—Ferrous metal, zinc coated only where local conditions make necessary.
3. Pipe lines and connections for water and gas distribution systems, as below: (a) Pipe and fittings, ferrous metal; zinc coated pipe only in smaller sizes or where local conditions require; (b) Fire hydrants—Ferrous metal with brass limited to minimum necessary for working parts; (c) Valves and stop cocks—Ferrous metal where possible, otherwise with brass working parts; (d) Valves boxes, small—Cast ferrous metal.
4. Storage reservoirs—only for (a) reinforcing steel, (b) elevated steel tanks and supports.
5. Manholes—Ferrous metal covers and frames and step bars—for streets only.
6. Water and sewage treatment plants to include only: (a) reinforcing steel; (b) cast or other ferrous pipe; (c) valves and fittings; (d) septic tank fittings, ferrous metal non-metallic coated. Tanks, nonmetallic only.
7. Drainage and culverts to include only: (a) Reinforcing mesh, (b) Inlet frames and gratings—cast ferrous metal, (c) ferrous gaskets and bands where required for reinforced concrete drainage pipe, (d) ferrous metal angles for inlet throats in gutters.
8. Pumps—to include only: (a) Shallow and deep well, (b) pressure tank—Phosphate treated ferrous metal painted, zinc coated where local conditions require it.
9. Electrical service; extensions from distribution systems—Overhead and underground materials of metal or with metallic components (except metal light standards).

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PRIORITY AID GIVEN IN GULF HURRICANE

Producers of Manila rope throughout the country were advised September 23 by Priorities Director Nelson that demands for rope arising as a result of the then impending Gulf Coast hurricane had been placed in the same category as defense orders and given full priority.

Nelson wired producers that orders up to midnight September 26, for "Manila rope required to meet needs which may arise in the coastal area of Texas and Louisiana by reason of the impending hurricane shall be deemed to be defense orders within the meaning of General Preference Order M-36."

Defense housing critical areas

The following areas are those in which defense housing priority action as announced September 19 can be taken:

Alabama—Anniston, Birmingham, Childersburg-Sylcauga-Talladega, Gadsden, Mobile, Montgomery, Muscle Shoals, Phenix City, Selma; **Arizona**—Litchfield Park, Tucson; **Arkansas**—Hope, Little Rock-Jacksonville, Ft. Smith.

California—Los Angeles, Bakersfield, Fresno, Monterey, Oceanside-Fall Brook, San Diego, San Francisco and East Bay Cities, San Luis Obispo, San Miguel-Paso Robles, Stockton, Vallejo; **Colorado**—Denver.

Connecticut—Bantam, Bridgeport, Hartford, Meriden, Middletown, New Britain-Bristol, New Haven, New London, Stamford, Waterbury; **Delaware**—Wilmington; **District of Columbia**—Washington.

Florida—Cocoa, Jacksonville, Key West, Opa Locka, Orlando, Panama City, Pensacola, Starke, Tallahassee, Tampa, Valparaiso, West Palm Beach.

Georgia—Albany, Atlanta, Augusta, Columbus, Hinesville, Macon, Roseville, Savannah, Toccoa, Valdosta; **Idaho**—Boise.

Illinois—Alton, Chicago-Waukegan, Davenport-Rock Island, Joliet-Wilmington, Rantoul, Rockford, Savanna; **Indiana**—Anderson, Charleston-Jefferson-Louisville, Ky., Connersville, Ft. Wayne, Gary-Hammond, Indianapolis, La Fayette, La Porte-Kingsbury, Madison, South Bend, Evansville, Ind.-Henderson, Ky.

Iowa—Burlington, Council Bluffs, Des Moines; **Kansas**—Junction City, Kansas City, Parsons, Wichita; **Kentucky**—Louisville-Charlestown.

Louisiana—Alexandria, Baton Rouge, Lake Charles, Leesville-DeRidder, New Orleans, Shreveport; **Maine**—Bangor, Bath, Portland; **Maryland**—Aberdeen, Annapolis, Baltimore, Elktion, Hagerstown.

Massachusetts—Boston, Falmouth, Greenfield, Pittsfield, Springfield-Holyoke, Worcester; **Michigan**—Bay City-Saginaw, Battle Creek, Detroit-Ypsilanti, Lansing, Midland, Muskegon, Pontiac; **Minnesota**—Minneapolis-St. Paul.

Mississippi—Biloxi, Columbus, Greenville, Hattiesburg, Jackson, Meridian, Pascagoula; **Missouri**—Joplin-Neosho, St. Louis, Springfield, Waynesville-Rolla; **Nebraska**—Omaha-Council Bluffs.

Nevada—Hawthorne, Las Vegas; **New Hampshire**—Manchester, Portsmouth; **New Jersey**—Bayonne-Staten Island, Bound Brook-Perth Amboy, Dover, Newark-Kearny-Elizabeth, New Brunswick, Patterson-Passaic, Trenton; **New Mexico**—Gallup.

New York—Bethpage-Farmingdale, Binghamton, Brooklyn-Long Island City, Buffalo-Niagara Falls, Dunkirk, Elmira, Greenport, Massena, Poughkeepsie, Rochester, Schenectady, Sidney, Syracuse, Troy-Watervliet-Albany, Utica-Rome, Watertown; **North Carolina**—Charlotte, Fayetteville, Jacksonville-Morehead City, New Bern, Wilmington.

Ohio—Akron, Canton-Massillon-Alliance, Cincinnati, Cleveland, Columbus, Dayton, Hamilton-Middletown, Lorain-Elyria, Mansfield, Ravenna-Warren, Sandusky, Sidney, Springfield, Steubenville, Toledo, Youngstown-Sharon, Pa.; **Oklahoma**—Enid, Lawton, Oklahoma City, Tulsa; **Oregon**—Astoria, Hermiston, Pendleton, Portland.

Pennsylvania—Allentown-Bethlehem-Phillipsburg, Beaver County, Berwick, Coatesville, Corry, Ellwood City, Erie, Harrisburg-Middletown, Johnstown, Latrobe-Greensburg, Monessen - Charleroi, Norristown - Bridgeport, Philadelphia-Camden-Chester, Pittsburgh-New Kingston, Pottstown, Sharon, Titusville, Warren-Irvine, Williamsport, York.

Rhode Island—Newport, Quonset Point; **South Carolina**—Charleston, Columbia, Spartanburg, Sumter; **Tennessee**—Bristol-Kingsport, Chattanooga-Cleveland, Knoxville-Alcoa, Memphis-Millington, Milan-Humboldt-Jackson, Nashville, Tullahoma.

Texas—Ablene, Beaumont-Orange-Port Arthur, Brackettville, Brady, Brownwood, Corpus Christi, Cuero, Dallas-Fort Worth, Denison-Sherman, Dumas, El Paso, Freeport, Galveston, Harlingen, Houston, Lubbock, Midland, Mineral Wells, Palacios, San Angelo, San Antonio, Texarkana, Vernon, Victoria, Wichita Falls.

Utah—Ogden, Salt Lake City; **Vermont**—Springfield-Windsor; **Virginia**—Dahlgren, Newport News, Norfolk-Portsmouth, Petersburg-Hopewell, Pulaski-Dublin-Radford.

Washington—Bremerton, Everett, Keyport, Longview-Kelso, Seattle, Spokane, Tacoma; **West Virginia**—Charlestown, Morgantown; **Wisconsin**—Beloit, Green Bay, Madison, Manitowoc, Milwaukee, Oshkosh, Racine-Kenosha.

Alaska—Fairbanks, Anchorage, Ketchikan, Kodiak, Sitka; **Hawaii**—Honolulu; **Virgin Islands**—Charlotte-Amolie; **Puerto Rico**—Aquadilla, San Juan.

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Action restricts use of chlorine for bleaching paper

Reduction of the use of chlorine in the manufacture of pulp and paper has been ordered in a directive issued by the Materials Branch, OPM. Chlorine is used as a bleaching agent in the production of paper.

The directive, effective September 22, orders pulp and paper manufacturers to limit consumption of chlorine in bleaching rag stock (paper stock made from rags and clippings from textile mills) to 80 percent of the amount used in the first half of 1941 and to 70 percent in the manufacture of semibleached grades.

Use of chlorine for these purposes was reduced to 90 percent of average consumption by voluntary action of manufacturers several months ago.

Does not affect processing

The directive does not apply to certain types of pulps in which chlorine is a processing rather than a bleaching agent.

Supplies of chlorine are being conserved to meet the requirements for national defense and essential civilian needs. Principal military uses for chlorine are in bleaching cotton linters for smokeless powder and in the chemical warfare area. Essential civilian needs include water purification, sewage treatment, refrigerant gases, preparation of products for medicinal use, and the preservation and processing of food products.

Restrictions in the amount of chlorine used for bleaching affects the color of writing papers, gloss and other papers for magazines, and high-grade paper for books.

PRICE ADMINISTRATION . . .

Ceiling placed on acetic acid bulk sales; maximum prices near third-quarter level

Ceiling prices covering bulk sales of acetic acid, one of the most widely used products in the field of industrial solvents, are established at about third-quarter levels in Price Schedule No. 31 announced September 25 by OPA Administrator Henderson.

The schedule will go into effect on September 29, 1941.

The latest action follows by 10 days the issuance of a maximum price schedule for ethyl alcohol, another leading solvent. In addition, Mr. Henderson disclosed that schedules fixing the top prices that may be charged for wood alcohols and other industrial solvents were in course of preparation and would be announced in the near future.

How prices have risen

The defense program and a high level of civilian activity have combined to create a substantially increased demand for acetic acid. Tank-car price of the synthetic product rose from about 5 cents a pound in the second quarter of 1941 to 6 cents in the third quarter and a further increase to 6½ cents a pound has been announced for the final quarter. Bulk price of the natural product made from wood held at around 5 cents a pound during the second quarter and part of the third quarter, then rose sharply to 7½ cents a pound and has continued to advance, with some sales reported at 10 cents a pound and higher.

Exploration of the situation by OPA, which included a conference on September 12 with representatives of the natural and synthetic acetic acid trade, has disclosed no justifiable reasons why acetic acid prices should be allowed to advance beyond third-quarter levels.

Maximum prices established in the schedule are 7¼ cents a pound for acetic acid of wood origin and 6¼ cents a pound for the synthetic type when sold in tank cars. These are delivered prices and apply to "glacial" acetic acid, that is, acid testing 99.5 percent or over, and to weaker acetic acid of commercial grade in terms of 100 percent acid content.

Freight in excess of 32 cents per 100 pounds may be charged to the buyer in the case of acid of wood origin.

F. o. b. prices ranging from 3.18 cents to 8.70 cents a pound are stipulated for

various concentrations of technical and pure acetic acid, whether wood or synthetic, when sold in barrels or drums in carload quantities. For acid of U. S. Pharmacopeia grade or chemically pure acid, maximum prices of 10¼ and 13½ cents a pound, respectively, may be charged.

Differentials are established for carload sales in carboys or cases and for less-than-carload sales of 3,000 pounds or more in barrels, drums, carboys, or cases.

By limiting application of ceiling prices to sales of 3,000 pounds or more, the schedule will affect only manufacturers of acetic acid or very large jobbers. It is expected that prices for smaller lots sold by jobbers and dealers will reflect only the normal margins of mark-up for their services. Should dealer prices get out of hand, Mr. Henderson stated, the schedule may be amended to cover smaller quantity transactions.

Used for hundreds of products

Acetic acid (CH_3COOH) is a colorless chemical compound used in the manufacture of hundreds of industrial products, including rayon yarn, photographic film, plastics, transparent wrapping materials, lacquers, varnishes and white lead. It is also used in medicinal drugs.

Synthetic acetic acid is derived principally from carbide, while the "natural" type is made by a wood distillation process in the course of which wood alcohol and charcoal are also recovered.

Production of the synthetic type is confined to a few large chemical companies, which consume a great part of their output in the manufacture of other products. It is estimated that of a total 1941 output of 165,000,000 pounds of synthetic acid, only about 45,000,000 pounds will have been sold in the open market by the producers.

Natural type made by more companies

Natural acetic acid is made by a large number of companies. Production for 1941 is estimated at 55,000,000 pounds, most of which will have been offered for sale.

Some of the large wood acetic acid producers can compete effectively with the synthetic manufacturers, but there

are a number of small makers whose costs are higher than the bulk of the industry. Recognition of the problems of these small businesses is reflected in the price differential established by OPA between the synthetic and natural types of acid.

The new schedule requires sellers of acetic acid to submit to OPA monthly sworn statements that all sales of 3,000 pounds or more during the preceding month were made in compliance with the maximum prices.

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Paperboard ceiling to be effective October 1

Maximum prices now prevailing under voluntary agreements covering all grades of paperboard sold by leading producers east of the Rocky Mountains will be incorporated shortly into a formal price schedule, OPA Administrator Henderson announced September 23.

The schedule, which is nearing completion, will go into effect on October 1, 1941, when the present voluntary agreements will expire.

Ceiling prices for the three base grades will be the same as those specified in the voluntary agreements, i. e., \$45 a ton for chipboard, \$60 a ton for single manila lined board, and \$75 a ton for white patent coated news board. Differentials, up and down, in line with the present agreements will be established for the other types, depending upon weight, grade, and quantity.

All types of paperboard used in the manufacture of set-up paper boxes, folding cartons, and shipping containers will be covered. Top prices for the shipping container grades will be stated in dollars per 1,000 square feet, rather than in dollars per ton, as are the grades used in set-up paper boxes and folding cartons.

Issuance of the price schedule for paperboard sold east of the Rockies will follow recent announcement of maximum prices upon the principal grades of wastepaper, the main source of raw material for the production of paperboard. The wastepaper schedule also will go into effect on October 1.

OPA has no present intention of establishing ceiling prices for board sold west of the Rockies, since the voluntary agreements with West Coast manufacturers do not expire until December 31, and have been operating satisfactorily.

Some wholesale prices rising faster than in World War I, consumers warned

Some wholesale prices are rising more rapidly in this defense production period than they did in the first World War, according to Miss Harriet Elliott, Associate Administrator, OPA, in charge of the Consumer Division. In an address on the subject, "The Consumer Faces Inflation," before the Pennsylvania State Defense Council conference on consumer and nutrition problems, held at Harrisburg, Pa., Miss Elliott compared the movement of wholesale prices in the first 2 years of the last war and the first 2 years of the current war.

"In the first 2 years of the first World War," said Miss Elliott, "food prices went up 18.4 percent. In the first 2 years of this war food prices have gone up 29 percent.

"Farm products went up 12.6 percent in the first 2 years of the last war. This time they have gone up 43.1 percent.

"Textile prices went up 43.6 percent in that period during the last war. This time they have gone up 28.6 percent.

"Building materials went up during the first 2 years of the first World War 27.2 percent. This time they have gone up 16.7 percent."

Further excerpts from Miss Elliott's talk follow:

Now let me tell you about some specific things, things that consumers buy, things that bring home in terms of our daily experience these big and impressive percentages.

Take overalls. The wholesale price of overalls last month was 35 percent higher than it was in August 1939. Work trousers at wholesale were up 37 percent. Wool rugs were up 23 percent. Sheets, up 42 percent. Butter, up 48 percent. Canned pink salmon, up 52 percent. Dried beans, up 76 percent.

Buyers have not felt full impact

The full impact of these price increases hasn't yet reached you as a buyer at retail. But they will reach you and nothing that can be done now can prevent your cost of living rising in the next few months, for the retailer who has paid these higher wholesale prices cannot sell at his old prices and stay in business.

Consumers must ward off inflation

The most serious problem facing consumers today, according to Miss Elliott, is the threat of uncontrolled inflation. "Upon the consumer," said Miss Elliott, "falls the responsibility for warding off inflation and if he fails, it will be he who

will reap the whirlwind of the disaster that will follow."

"There is a hopeful side to this picture," continued Miss Elliott, "The hope lies in the fact that *inflation can be controlled*. Prices are not, like the tides of the ocean, controlled by some mysterious, economic moon. They are controlled by men acting in their own interests and

often acting without knowledge of the consequences of their price quotations.

"It is necessary to substitute in a war production economy a control of prices to replace the controls of free competition that war production, by its very nature, destroys. In a democracy, that control must be exercised by the Government on behalf of the welfare of the Nation as a whole. Price control is not an additional or new element in our economy. It is a necessary substitute for the active competition that has been temporarily lost."

Flow of "remote" iron and steel scrap encouraged by special allowances

An experimental program designed to bring quick delivery to steel mills and foundries of iron and steel scrap scattered throughout areas of the United States remote from consuming centers was announced September 26 by OPA Administrator Henderson.

Trade estimates of the quantities of "remote scrap" in Florida and the eight Western States affected by the program range from 500,000 to 2,500,000 tons. It is considered highly important to bring as much of this tonnage as possible to consuming points before winter weather in the West makes its collection difficult.

The program allows considerably higher shipping point prices for "remote scrap" and permits consumers to pay greater transportation charges to bring "remote scrap" to their plants.

Both of these measures are embodied in an amendment to the iron and steel scrap schedule. This amendment will expire on December 31, 1941.

Maximum shipping point price, \$12

The amendment sets a maximum shipping point price of \$12.00 a ton for No. 2 heavy melting scrap in Florida and all States west of the Mississippi River, excepting California, Oregon, and Washington. Price differentials above and below \$12.00 for other grades of scrap will be those already established for St. Louis.

The new shipping point prices are considerably higher than those set in the present schedule for scrap from the nine States. However, except for a few isolated cases, existing shipping point prices in other States west of the Mississippi are not affected.

A separate section defines as "remote scrap" all kinds and grades of scrap, other than railroad scrap, having a shipping point and point of origin within

Florida, Oklahoma, Texas, Arizona, New Mexico, Nevada, Wyoming, Idaho, and Montana. It is stipulated that the maximum price of any grade of "remote scrap" delivered to the plant of a consumer may be \$5.00 a ton above the top delivered price which he has heretofore been permitted to pay.

Can absorb more of shipping costs

Heretofore, the maximum delivered price of scrap from the nine States affected has been the shipping point price fixed in the schedule, plus transportation costs to the nearest consuming plant, plus a further \$1 a ton.

By increasing the extra allowance to \$5 in the case of "remote scrap," OPA permits consuming plants to absorb \$4 a ton more in transportation costs than the highest such charge allowed heretofore.

In special situations, according to the amendment, consumers may pay even more than the \$5 extra freight allowance, provided they apply for and obtain permission to do so in advance from the Office of Price Administration.

All deliveries against contracts made under the amendment must be completed by December 31, 1941. Purchasers of "remote scrap" are required to file, under oath, a detailed report of each transaction within 10 days after purchase. Further, consumers are obliged to file with OPA certified copies of their bills of lading immediately upon delivery of any "remote scrap."

Nothing in the amendment affects shipping point prices or delivered prices east of the Mississippi River, excepting in Southern Florida. Sellers in certain of the Western States not included in the "remote scrap" areas still will be able to dispose of their scrap in nearby markets within existing ceiling prices.

Consumers protest higher prices for bread; war not largest factor, says Miss Elliott

Letters from consumers throughout the United States protesting advances in retail bread prices have been increasing continually, Harriet Elliott, Associate OPA Administrator, in charge of the Consumer Division, announced last week.

As many complaints were received by the Consumer Division during the first 2 weeks of September as during the entire 7-month period between last January and mid-July.

Retail bread prices advanced from 7.9 cents in August 1939 to 8.3 cents in August 1941 for the average 1-pound loaf. To a large extent this advance is the result of an increase in ingredient costs averaging roughly ½ cent and, in some localities, a rise in wages for labor over the level that prevailed in August 1939 just previous to the start of the war. The largest single factor in increasing bread-ingredient costs has been higher prices for flour.

The price of flour

This rise in flour prices, Miss Elliott pointed out, has not been caused by the war or the defense program. It is largely the result, she said, of legislation enacted by Congress last spring, providing for loans to farmers on wheat, corn, cotton, tobacco, and rice to establish 85 percent of parity prices. (Parity is the estimated price at which a farmer would

have to sell a bushel of wheat or a bale of cotton, for instance, in order to buy as much industrial goods and services with that bushel or bale as he did in 1909-14.) In the case of wheat, the law provided for mandatory price-supporting loans to cooperating farmers equal to an average of 98 cents a bushel, compared with last year's loan rate of 64 cents.

Reflecting this higher loan rate, the price of flour rose 5 percent at retail between April and August and 16 percent at wholesale, although flour prices usually drop at this time of the year. During the same period last year, for instance, the retail price of flour went down 8 percent, and the wholesale price declined 24.6 percent.

Home-made bread cheaper

Consumers should remember that if they have the time and are willing to take the trouble, they can make bread at home that is better for them and cheaper than the usual store bread, Miss Elliott pointed out.

She made the following comparison between the cost of ingredients and the nutritive value of the usual 1-pound loaf of store bread and home-baked bread. The home-baked bread figures are based on two different recipes prepared by the Bureau of Home Economics. The first is made with milk, the second with water.

Ingredients (in ounces)	Commercial formula	Home formula	
		Recipe 1	Recipe 2
Flour, white, plain.....	10.06	10.29	10.35
Yeast.....	.25	.14	
Potatoes, white.....			2.82
Sugar, white.....	.35	.41	.98
Malt.....	.10		
Lard.....	.30	.27	.34
Salt.....	.35	.18	.17
Milk, fluid, whole.....		6.77	
Milk, dry, skim.....	.50		
Health:			
Calories.....	1,190	1,280	1,290
Proteins (in grams).....	37	39	33
Cost in August (per pound):			
To the baker (ingredients only).....	Cents 2.85	Cents	Cents
To the consumer (U. S. average retail price).....	8.3	6.8	4.1

"As is indicated by this table," Miss Elliott said, "the home-baked breads supply 7 or 8 percent more calories than the commercially made bread, and the breads made with milk contain 12 to 18 percent more protein than the water bread. By using evaporated milk instead of fluid whole milk, the cost of the bread made from recipe number 1 could be cut to 6 cents a pound, without reducing its food value. And if dry skimmed milk is used, the cost would be decreased even more."

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January-August prices permitted temporarily for Douglas fir "peeler" logs

While a schedule of specific maximum prices is being drafted, Douglas fir "peeler" logs, from which Douglas fir plywood is made, may be bought or sold at prices not exceeding those charged for logs of the same grade and quality from January 1 through August 1, 1941, OPA Administrator Henderson announced.

This ruling is in the form of an interim amendment to Price Schedule No. 13.

As originally announced, the schedule stipulated that peeler logs should not be sold at prices above quotations which prevailed on May 1, 1941. In operation, this date proved to be unsatisfactory. In some cases, because of outstanding contracts, prices of logs of similar grade and quality were frozen at different levels.

Principal effect of the new interim amendment, which will expire October 24, will be to enable loggers and plywood manufacturers to clear up outstanding contracts. It will not result in any substantial changes in log prices.

It is felt that enough information can be collected and analyzed within the next few weeks to develop a definitive schedule for peeler logs by October 24.

Scrap schedule changes affect Cincinnati, log roads, mines

Amendments to bring about a parity among consumers who purchase iron and steel scrap in the Cincinnati market, and to create an incentive for the sale of scrap rail and rerolling rail by mines and logging roads, have been made to the iron and steel scrap schedule, OPA announced September 23.

The first change provides a shipping point price within the Cincinnati basing point of 80 cents a ton below the basing price for all grades of scrap excepting six casting grades. This revision was made because of the great variation in switching charges within the Cincinnati basing point. It does not detract from the advantages obtained by local steel mills from the previous amendment establishing Cincinnati as a basing point, but does remove certain inequalities that resulted

to those consumers with plants outside the basing point who have historically purchased scrap in the Cincinnati market.

The other revision provides an attractive price at which mines and logging camps can sell scrap rail and rails for rerolling. It is stipulated that the maximum shipping point prices for this type of scrap shall be the ceiling prices set in the schedule (which apply specifically to scrap of railroad origin), "except that the maximum shipping point price need in no case be less than \$13.50 per gross ton for scrap rail and \$15 per gross ton for rails for rerolling." In addition, the formalities generally required from railroads upon the sale of scrap rail or rerolling rail are eliminated when the seller is a mine or logging road.

News for Retailers

Merchants' Stake in Waste-Paper Drive Explained

Triple-edged action to increase supplies and head off price rises of the packaging materials that merchants buy in considerable quantities is being taken by the Office of Price Administration.

A price schedule effective October 1 has been provided to prevent price rises of waste paper, basic raw material in the manufacture of containers; ceiling prices, to be effective October 1 for paperboard, are being prepared; and a Nation-wide campaign to increase the supply of waste paper is now under way.

It is in the last phase of the program that retailers can do the most to help an increase in paperboard production, OPA officials say, since the waste paper that accumulates in retail establishments is large in amount and high in quality.

In the past many retailers have collected waste paper and sold it to scrap dealers. These merchants have been one of the best sources of corrugated containers, and the better grades of wrapping paper for the scrap trade. Others, however, have not provided for collection of their waste paper and have burned it or thrown it away.

In light of the present shortness in supply, however, it is hoped that this wasteful practice will be reconsidered. The defense effort has placed a double burden on the supply of raw materials for paper-container manufacture. Demand has increased at the same time that a large part of the supply has diminished.

The imports of wood pulp which formerly provided a substantial part of the raw material for paperboard have been cut off by the war.

Increased quantities of paper containers are now needed domestically for both civilian and military requirements, while large amounts of waterproof paper boxes are required to ship Lend-Lease supplies to Great Britain and other countries.

Defense now takes one-fourth of the more than 8,000,000 tons of paperboard which it is estimated will be manufactured in the United States this year.

By the end of 1942 it will be utilizing up to two-thirds of an estimated 9,000,000 tons.

A joint campaign by the Office of Production Management and OPA to save part of the estimated 50 percent of the Nation's production of paper that is now burned up or thrown away, has been instituted in 33 of the principal cities east of the Rocky Mountains. This is being supplemented by the activities of the Boy Scouts, who will carry on waste paper collection drives in every community that has a scout troop. Since retailers are one of the large groups that will benefit from an increased supply of cartons and paper boxes, it is expected that they will be active in the local collection campaigns.

Retailers Promote Defense Stamp Sale

Treasury officials look forward to following up the successful "Retailers For Defense Week" with programs for retailer participation in the sale of Defense Savings Bonds and Stamps at Thanksgiving and Christmas.

A large poster entitled, "Let's Be Thankful For America", will be distributed to 1,000,000 merchants throughout the country as a part of the extensive Thanksgiving program.

In connection with the Christmas campaign, a "Retailers for Defense" card will be issued giving storekeepers the opportunity to participate in a program of: (1) The payment of all Christmas bonuses to employees in defense savings bonds and stamps; (2) the offering of facilities to their employees for the buying of defense bonds and stamps, and (3) the promotion of the sale of stamps to the public.

A Christmas promotion for merchants will urge them to further the purchase of bonds and stamps by their customers as Christmas gifts.

In addition a 4- by 6-inch window decalomania transfer with the slogan "Buy Defense Stamps Here" will be sent to retailers.

Complete figures on the recent sales of stamps are not yet available, but preliminary figures from two sections indicate extensive gains as a result of the "Retailers for Defense Week" in New

York City as follows: Third week in August, \$69,700; fourth week in August, \$87,500; first week in September, \$113,100; second week in September, \$137,700.

In Canton, Ohio, sales of stamps jumped from \$1,000 a week to \$16,000.

OPA Studying Work Clothing Prices

Chambray, cotton coverts, and denims, widely used fabrics for work clothing are now being added to the Office of Price Administration cotton textile price schedule. Inclusion of these three constructions is expected to head off increases in the price of work clothing attributable to advances in the price of fabric.

After the establishment of the ceiling on standard print cloth and other higher grade goods earlier this year, fabrics used in work clothes moved into positions considerably "out of line" in relation to the ceiling.

Under the revised schedule, these constructions will be brought into a normal relation to standard print cloth and tied to the market price of "spot" raw cotton on 10 markets.

The new formula provides for changes, upward or downward, in ceiling prices for every change of 43 points in the price of cotton.

Other new constructions now being added to the schedule are: poplins, piques, drills, twills, jeans and additional constructions of carded broadcloth. With these additions, four-fifths of all cotton textile grey goods will be under price ceilings. Constructions still outside the schedule are canvas and duck. There has been a strong demand for these two fabrics as the result of heavy Government purchasing, but their prices so far have been in proportion to ceiling prices.

Advances in the cost of work clothing have been particularly marked in the last 2 years. Bureau of Labor Statistics figures indicate that from August 1939 to August 1941 the wholesale price of work trousers has increased 37 percent, while the wholesale price of overalls has gone up 35 percent.

Textile officials of the Office of Price Administration announce that they are now making a careful study of the work clothing situation with a view to later action as needed.

Other finished goods now being studied for the possibility of inclusion under a price ceiling are pillow cases, sheets, and towels.

HOUSING . . .

There'll be plenty of new homes to build, says Palmer, but mostly for defense

There will be plenty of new homes to build, Defense Housing Coordinator Palmer said in a radio interview September 29, but practically all of the construction will be for defense workers. He was explaining the effect of the new priority action for privately built defense housing, in the third of a series of Monday evening "OEM Defense Reports" being delivered on time donated by the Firestone Tire and Rubber Co. The interview follows in part:

Q. Mr. Palmer, I recall something that Mr. Nelson said—to the effect that priorities meant that a lot of us would have to go without. Does this new housing priority ruling mean that we are going to go without new homes?

A. No. We are going to have plenty of new homes—and we are going to go right ahead remodeling the old ones as well. But, from now on, practically all of that home construction will be for defense workers—to furnish shelter for the men and women employed in our defense.

Scarcity is the restrictive factor

Q. By that you mean from now on the Government will prevent the use of certain materials needed by home builders—things like copper and steel and zinc?

A. Not at all. The scarcity of those materials will restrict their use in home building. The Government's job is simply to control that scarcity—see to it that those materials go to the places where they are urgently needed—defense areas.

Q. How will this control be exercised, Mr. Palmer?

A. By means of a sensible use of the priorities we have established on certain critical materials.

Q. I see.

A. In other words, if John Jones wants to build a summer home in the woods and Bill Brown intends to build a house alongside an airplane plant to rent to the family of a defense worker, Bill Brown gets his materials first, and John Jones must wait.

Q. I think we can all see the reason for that, Mr. Palmer.

A. It is just—as Mr. Nelson said—making first things come first. Plants

making tanks and guns cannot be operated without workers and workers must have homes.

Q. But take the case of a friend of mine—he's been putting up small homes for sale. He seems to feel that the Government has been inconsistent in this matter of housing.

A. In what way?

DEFENSE HOMES COMPLETED NOW TOTAL 36,560

Charles F. Palmer, Coordinator of Defense Housing, announced September 25 that 1,782 new publicly financed homes for families of defense workers and enlisted personnel had been completed during the week ending September 20, making a total of 36,560 now ready for occupancy.

With 1,945 homes going into construction during the week, the total of publicly financed homes now being built or completed reached 90,493.

Federal funds have already been allotted for 118,935 defense homes.

FHA-inspected privately financed homes started during the week totaled 982. Since January 1941, 161,429 such homes have gone into construction.

The total number of dormitory units for occupancy by single defense workers has reached 5,206.

Q. Well, he claims that a short while ago, Washington authorities were encouraging home building—through financing aid and so on—and induced a lot of people to become builders. And now, the Government is trying to close them up. Is that true, Mr. Palmer?

A. No; our Government isn't trying to close up the builder, even during the emergency. What we are doing is diverting their efforts to where they're most needed. In fact, what we are really doing is finding the builder's customers for him.

Q. Does this make it impossible, Mr. Palmer, for people outside defense areas to build homes?

A. Not impossible—there is no law that says that John Jones can't buy copper gutters and galvanized iron and brass hardware for that summer bungalow, but

they are going to be very hard to find.

Q. But, isn't it true, Mr. Palmer, that a home can't be built without such materials?

A. In a good many cases, substitutes can be found. Wooden gutters for example were used in this country for generations. In some materials like copper wiring where no substitute is available, allowances will be more generous. But it will be defense homes first, in any case.

Q. Another thing, Mr. Palmer—suppose this builder friend of mine decides to follow the Government's lead and build homes for defense workers. Where does he find the information?

A. He simply goes to his local lending institution—the place where he always does business. He will find there complete lists of critical materials. Also, a list of defense areas where homes are needed.

Must apply to get rating

Q. Will he have to make application for preference rating, Mr. Palmer?

A. Yes, he will find application forms there, too. We are using FHA field offices to speed the work along although, of course, this plan is completely divorced from FHA financing. Our Office of Defense Housing Coordination passes on all applications.

Q. How many of these defense homes do you figure, Mr. Palmer, will be needed?

300,000 houses needed quickly

A. We will be in need of 300,000 houses in defense areas in a hurry. The Government plans to build 100,000 of those itself in places where private industry would find it impracticable to build.

Q. That leaves 200,000 houses for private builders to put up. That should keep a good many workers busy at their trades, Mr. Palmer.

A. We are seeing to that. We have a twofold job on hand here. One is to see that the building industry—the second largest industry in the country—is kept going during this emergency. Carpenters, bricklayers, plumbers, electricians—a whole army of workers, must be kept in their jobs. But our other objective is even more important—to see to it that their fellow-workers—the men and women who are turning out the guns and planes to defend this democracy of ours—your home and mine—will themselves have decent homes worth living in and worth defending.

AGRICULTURE . . .

(Information furnished through Office of Agricultural Defense Relations,
U. S. Department of Agriculture)

Wickard urges consumers' cooperation in boosting agricultural production

Secretary of Agriculture Wickard last week described American consumers as "the most fortunate in the world" as he gave assurance that the Nation's farms would "produce abundantly for our own people and other peoples resisting Nazism."

The assurance was given in addresses before conferences of farm leaders and Government agricultural workers in Chicago and New York. The conferences were the second and third of four regional meetings called to plan for 1942 farm production. The first conference was held in Salt Lake City. The fourth is being held in Memphis, Tenn., September 29 and 30.

Excerpts from Mr. Wickard's New York address follow: Agriculture's part in this defense program is vital. The farmer is worker and manager in the basic defense industry. Without his production, there can be no other production. Enough food must be supplied American workmen and soldiers and sailors and American homemakers and children. Over and above that, there must be adequate food for the fighters and the workmen and the civilian population of Britain, whose energy and morale are the guarantee of continued resistance to Hitler.

American consumers the most fortunate

American consumers are the most fortunate in the world. Almost everywhere else on the globe consumers are going on short rations. In many of the war torn countries we are told, malnutrition, tuberculosis, and deficiency diseases are on the increase because of the shortage of food. That will not happen in America. Here we have the facilities—and we intend to use them—to produce abundantly for our own people and other peoples resisting Nazism.

The best guarantee that consumers here will have adequate supplies of farm products is to pay a fair return for the work and investment of farmers. When prices get too low, then some of the farmers have to quit, production falls off, and prices eventually are forced to levels that even the producer may admit are unreasonable high.

Food and clothing prices have gone up in recent months. The rise has been

accompanied by a clamor from several directions. But let me point out three things:

Number one—The rise in the prices of farm products may seem high in percentage terms. But that's because farm prices for so long have been bargain prices. Farm prices started to rise from a very low point.

Number two—The rise in retail prices of food and clothing is not entirely due to the rise in farm prices. For example, a consumer may be paying 25 cents more for a cotton shirt than a year ago, but less than a nickel goes to the cotton grower. The farmer is getting only

about one-fourth of a cent more for the wheat that goes into a pound loaf of bread than he got a year ago. Any increase in price of a loaf of bread that amounts to more than one-fourth of a cent is due to more money paid to someone besides the wheat farmer.

Number three—While food prices at retail have gone up, and remember the farmer gets only a part of the price rise, they have not gone up nearly so much as consumer income.

Taking the latest figures we have, in mid-summer of this year, and comparing them with 1929, which looms as the year of greatest prosperity for the Nation as a whole—food prices this summer have been only 80 percent as high as in 1929, while the income of people off the farm was 114 percent of the 1929 figure.

Farm products stand out among Lend-Lease activities, says Townsend

M. Clifford Townsend, director, Office of Agricultural Defense Relations, Department of Agriculture, last week told the American Farm Bureau's Northeast Training School that this Nation has "resolved that the United States shall be not only the arsenal but the larder for the campaign against Nazism." Other excerpts from Mr. Townsend's speech at Jackson's Mill, W. Va., on September 26, follow:

In the feeding of the nations resisting aggression, American farmers already are playing a vital role but they are destined for even greater contributions in the months ahead. The importance of food in winning this war is clearly revealed in the Lend-Lease figures sent to the Congress by the President. In the report on Lend-Lease activities, shipments of food stood out like a beacon light. In the newest Lend-Lease bill, the amount allocated for agricultural products is greater than for any other single purpose.

We have already promised to send the British alone during 1942 dairy products that will require between 4½ and 5 billion pounds of milk; about a half billion dozen eggs; 18 million pounds of poultry meat—mostly chicken; and almost a billion and a half pounds of pork and lard. We have agreed to send almost a million and a quarter tons of fruit and more than 2½ million cases of canned vegetables. There

are other commodities included in our food commitments to the British, but these are the principal items.

For the first time in the history of agriculture in this country, production goals for all essential farm commodities have been established.

Under ordinary circumstances, these production goals would be no great strain on American agriculture. But these are no ordinary times. It is going to take all of the well-known ingenuity of the American farmer, plus plenty of hard work, to deliver on our production goals, particularly on the products we get from milk.

Must surmount obstacles

This is true because it is axiomatic that in a war economy we run short or run out of raw materials, labor, and transportation. This one is no exception. Already severe shortages have developed in most metals, in many chemicals, in paper and paper products, and in numerous other essential materials. Increasing difficulty in obtaining nonmilitary supplies, labor, and transportation can be anticipated as the tempo of defense production increases. Therefore, if the food production goals so vital to the success of the defense program are to be attained, farmers must be prepared to reach them in spite of these and many other obstacles which may arise.

TRANSPORTATION . . .

Refrigerated warehouse space gains 221,000,000 cubic feet in 20 years

Harry D. Crooks, consultant on warehousing, Transportation Division, OEM, reports receipt from the Department of Agriculture of the preliminary report on the survey of refrigerated warehouse space. This survey is very comprehensive, including not only public warehouses, but privately operated space such as is located in meat packing establishments.

Total 765,000,000 cubic feet

The gross space in all cold storage warehouses and meat packing plants in mid-June of this year totaled 765 million cubic feet. This represents an expansion of 221 million cubic feet in the last 20 years. The industry shows a steady growth in this period with the exception of the years 1933-35 when some abandonment of obsolete warehouse space occurred. The increase in cold storage space by types of facility is as follows:

	Million cubic feet
Public cold storage.....	176
Private cold storage.....	28
Private cold storage doing some public business.....	9
Meat packing establishments.....	26
Meat packing establishments doing some public cold storage business.....	18

Total increase (1921-1941)..... 221
Decrease.

Space occupancy as of mid-June this year varied considerably by type of plant; private cold storages, where cooler space predominates, include a large number of one-crop houses, such as those devoted to storing fresh fruits. At the date of the survey private plant space was only 27½ percent occupied. On the other hand, meat-packing plants, in which all working space is included, were operating at about 94½ percent of capacity.

Emergency space available also

In addition to the refrigerated warehouse space of approximately 764½ million cubic feet, there were reported approximately 20 million cubic feet of space in use as storage exclusively for ice and about 13 million cubic feet of similar space in plants not now in use, but which could be placed in usable condition immediately should the need arise. Most of this additional space—33 million cubic feet—could be used for food storage in an emergency.

The report shows an occupancy of 53.1 percent in the country as a whole as of June 16, 1941. The monthly report as of June 30, 1931, showed an occupancy of 62 percent. The figures are not truly comparative because of the inclusion of apple and other one-crop houses in the June 16 survey.

Complete report coming

A complete report covering all phases of the survey and including break-downs by States, regions, and important cities will be issued in the near future.

Copies of the current report may be secured from the office of the Warehouse

CARLOADINGS IN UNSEASONAL DECLINE; STRIKES A FACTOR

Freight carloadings for the week ended September 20 totaled 907,969 cars, an increase of 11.6 percent over the 813,329 cars loaded during the corresponding week in 1940 but a decrease of 6,623 cars under the preceding week in 1941. This unseasonal decrease was principally due to loss of coal production by reason of strikes in a number of anthracite mines and in the bituminous captive mines serving the steel industry. The details by important commodities follow:

CARLOADINGS WEEK ENDED SEPTEMBER 20

	1941	1940	Percent increase
Grain and grain products.....	44,839	40,943	9.5
Livestock.....	15,482	18,592	16.7
Coal.....	158,989	144,483	10.0
Coke.....	12,876	11,102	16.0
Forest products.....	45,364	41,022	10.6
Ore.....	69,721	68,397	1.9
Merchandise l. c. l.....	160,224	157,201	1.9
Miscellaneous.....	400,474	331,589	20.8
Total.....	907,969	813,329	11.6
Cumulative (38 weeks).....	30,343,974	25,767,606	17.8

Decrease.

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NAVAL PROGRESS

Every vessel authorized by law has been contracted for by the United States Navy, the Navy Department announced September 16.

Consultant, Room 216, Potomac Park Apartments, or by telephoning Defense (Republic 5050), Extension 562.

NET PILING SPACE AND SPACE OCCUPANCY

Data for firms reporting on space occupancy for Public warehouses only, June 16, 1941.

[Thousand cubic feet, i. e., 000 omitted]

State and division	Net piling space		Occupied space	
	Freezers	Coolers	Freezers	Coolers
Maine.....	275	848	130	124
New Hampshire and Vermont.....	52	245	20	101
Massachusetts.....	4,432	8,454	2,700	1,688
Rhode Island and Connecticut.....	220	921	112	256
Northeastern.....	4,979	4,968	2,962	2,169
New York.....	13,321	32,108	7,763	11,203
New Jersey.....	4,154	8,163	2,334	4,333
Pennsylvania.....	5,358	13,641	3,491	5,340
Middle Atlantic.....	22,833	53,912	13,588	20,876
Ohio.....	4,413	6,376	2,717	4,217
Indiana.....	1,028	1,543	970	882
Illinois.....	9,711	16,389	7,707	13,374
Michigan.....	3,673	3,632	3,027	2,114
Wisconsin.....	819	2,874	681	2,529
East North Central.....	19,644	30,814	15,102	23,116
Minnesota.....	2,578	1,159	2,075	799
Iowa.....	1,613	632	1,189	477
Missouri.....	6,214	5,905	4,245	3,609
North Dakota, South Dakota, Nebraska.....	1,984	1,113	1,555	859
Kansas.....	3,219	2,719	2,401	1,890
West North Central.....	14,608	11,528	11,468	7,694
Delaware.....	149	405	67	136
Maryland and District of Columbia.....	1,514	1,945	1,104	1,434
Virginia.....	1,218	14,950	1,038	3,099
West Virginia.....	38	1,541	24	122
North Carolina.....	83	165	68	101
South Carolina.....	10	8	5	4
Georgia.....	638	2,656	352	1,727
Florida.....	748	977	524	824
South Atlantic.....	4,398	22,647	3,182	7,447
Kentucky.....	582	1,249	415	755
Tennessee.....	550	1,402	355	965
Alabama and Mississippi.....	489	466	351	304
East South Central.....	1,621	3,117	1,121	2,024
Arkansas.....	88	254	72	165
Louisiana.....	417	1,266	326	791
Oklahoma.....	670	990	535	676
Texas.....	1,980	3,808	1,603	2,677
West South Central.....	3,165	6,318	2,536	4,209
Montana, Idaho, Wyoming.....	117	210	97	160
Colorado.....	1,037	861	951	667
New Mexico and Arizona.....	20	155	10	147
Utah and Nevada.....	202	621	191	592
Mountain.....	1,376	1,947	1,249	1,566
Alaska.....	506	63	278	28
Washington.....	3,382	18,408	1,729	3,088
Oregon.....	3,780	4,646	2,956	700
California.....	6,472	11,672	2,655	3,999
Pacific.....	13,110	34,789	7,618	7,765
United States.....	85,654	170,040	58,826	76,800

Two committees to work with SPAB and OPM on railroad materials

Ralph Budd, Transportation Commissioner, OEM, announced September 18, appointment of two committees to represent the Transportation Division in working with the Supply Priorities and Allocations Board and the Office of Production Management on matters relating to the supply of materials required for construction of railroad freight cars and steam locomotives. Members of the committees are:

COMMITTEE FOR THE CARBUILDING INDUSTRY—C. A. Liddle, president, Pullman-Standard Car Manufacturing Co., Pullman Building, Chicago, Ill.; C. J. Hardy, president, American Car & Foundry Co., 30 Church St., New York, N. Y.; Lester N. Selig, president, General-American Transportation Corporation, 135 South LaSalle St., Chicago, Ill.; Edwin Hodge, Jr., president, Greenville Steel Car Co., Greenville, Pa.; A. Van Hassel, president, Magor Car Corporation, P. O. Box 418, Passaic, N. J.; F. A. Livingston, president, Ralston Steel Car Co., East Columbus, Ohio; and J. F. MacEnulty, president, Pressed Steel Car Co., 2500 Koppers Building, Pittsburgh, Pa.

COMMITTEE FOR THE STEAM LOCOMOTIVE INDUSTRY—W. K. Farrell, general purchasing agent, American Locomotive Co., 30 Church St., New York, N. Y.; W. H. Harman, vice president, The Baldwin Locomotive Works, Philadelphia, Pa.; L. A. Larsen, vice president, Lima Locomotive Works, Inc., Lima, Ohio; G. W. Alcock, secretary, The Locomotive Institute, 60 East 42d St., New York, N. Y.

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Denim and broadcloth standards to be developed

Standard definitions for denim and broadcloth, materials widely used in manufacture of work clothes and other low-cost clothing, will be developed by a committee to be appointed by the American Standards Association as the result of a meeting held September 27 in the Office of the Consumer Division, OPA.

Called by the American Standards Association in response to a request from Miss Harriet Elliott, Associate Administrator of OPA in charge of the Consumer Division, the meeting adopted a resolution calling for formulation of the definitions. The meeting was attended by representatives of the cotton fabricating industry, consumer organizations, and Government agencies interested in formulating standard definitions for consumer goods.

CIVILIAN SUPPLY . . .

Yardstick determines A-3 or A-10 for spare-part materials

A yardstick to be used by manufacturers of automotive replacement parts in estimating the proportion of materials used in interchangeable parts to which an A-3 preference rating may be applied and that to which an A-10 rating may be applied was adopted September 23 by the Division of Civilian Supply.

The yardstick is to be used only in cases where the manufacturer cannot determine whether the interchangeable parts are intended for use in heavy and medium trucks and passenger carriers with a seating capacity of 15 or more, on the one hand, or in passenger cars and light trucks, on the other hand. A rating of A-3 has been assigned to replacement parts for heavy and medium trucks and passenger carriers with a seating capacity of 15 or more. An A-10 rating has been assigned to replacement parts for passenger cars and light trucks.

The manufacturers were requested, in a letter from Reavis Cox, supervisor of industry branches of the division, to use in the indeterminate cases the figure of 20 percent to estimate the proportion of materials used in interchangeable parts to which an A-3 rating may be applied, and 80 percent for materials for inter-

changeable parts to which an A-10 rating may be applied. The letter also said:

"It may be that you as an individual manufacturer have means of information from which you can calculate a more accurate ratio than 80 percent-20 percent for your own business in interchangeable replacement parts. In the event that you can make such a calculation, and in the event that such calculation reveals that less than 20 percent of your interchangeable parts fall into the A-3 category, you are to use such lower percentage in ordering materials under the A-3 rating. In the event that your experience enables you to determine that more than 20 percent of your interchangeable replacement parts fall into the category carrying an A-3 rating, you should communicate with the Automotive Branch, giving such figures as are available to justify your use of such higher percentage. This office will make a careful study of your request as quickly as possible, and should it appear that your request to use such increased percentage is justified, this office will then grant you permission to use such increased percentage as may be determined to be justified."

Cox to supervise industry branches in Civilian Supply; five chiefs appointed

Appointment of Dr. Reavis Cox as Supervisor of Industry Branches, and of the chiefs of five industry branches in the Division of Civilian Supply was announced September 23 by Joseph L. Weiner, Deputy Director.

Dr. Cox, chairman of the marketing department of the Wharton School of Finance and Commerce, University of Pennsylvania, has been serving as assistant director of the division. In his new post, he will have general supervision over the nine branches recently set up in the division.

Jesse L. Maury, former head of the non-ferrous metals section, was named chief of the Electrical Appliances and Consumers Durable Goods branch.

Nathaniel G. Burleigh, former head of the agricultural, forest and general products section, was named chief of the Industrial and Office Machinery branch.

Barton Murray, who drafted the civilian allocation program for rayon yarn and who has engaged in other activities in the textile

field under the Division of Civilian Supply, was named chief of the Rubber and Rubber Products branch.

Maury Maverick, who has been serving as an assistant and consultant to Leon Henderson, administrator, Office of Price Administration, was named chief of the State and Local Government Requirements branch.

John L. Haynes, who had been specializing in the lumber and building materials field of civilian supply, was named chief of the Lumber and Building Materials.

Norbert A. McKenna, who became chief of the Pulp and Paper branch when it was under the Production Division of the Office of Production Management, will continue to serve as head of that branch. Under a recent reorganization, its functions were transferred to the Division of Civilian Supply.

Mr. Weiner stated that he expects to announce in the near future the names of the chiefs of the three remaining branches. At present, in order to take care of the immediate necessities of these branches, Mr. McKenna and Mr. Haynes have been asked to serve temporarily as acting chiefs of the Printing and Publishing branch and the Plumbing and Heating branch, respectively. Andrew Stevenson, of the Automotive, Transportation and Farm Equipment branch, is acting chief of that branch.

PURCHASES . . .

93 Certificates of Necessity for plant expansion issued to 83 corporations

A total of 93 Certificates of Necessity were issued to 83 corporations from September 1 to 15, inclusive, the National Defense Advisory Commission announced last week. These certificates were issued in connection with the construction and acquisition of new plant and manufacturing facilities, the estimated cost of which was \$27,197,000.

This brings the total issued through September 15 to 2,412. The cost of facilities covered to date was estimated at \$1,183,705,000.

First half of September:

Ahlberg Bearing Co., Chicago, Ill., ball and roller bearings; \$148,000.

Allis-Chalmers Manufacturing Co., West Allis, Wis.; propulsion turbines; \$270,000.

Aluminum Company of America, Pittsburgh, Pa.; fabricated aluminum products, pig aluminum and carbon electrodes; \$1,041,000.

The American Crucible Products Co., Lorain, Ohio; bronze and babbitt bearings; \$10,000.

American Hoist & Derrick Co., St. Paul, Minn.; cranes, winches, hoists, etc.; \$199,000.

American Locomotive Co., New York, N. Y.; forgings, equilibrators for gun carriages; \$579,000.

American Steel Castings Co., Chicago, Ill.; castings; \$16,000.

Armour and Company of Delaware, Chicago, Ill.; dried egg products; \$19,000.

Armour and Company of Illinois, Chicago, Ill.; dried egg products; \$15,000.

The Atchison, Topeka and Santa Fe Railway Co., Topeka, Kans.; transportation of persons and property; \$17,000.

Atwood & Morrill Co., Salem, Mass.; high-pressure valves for naval vessels; \$199,000.

The Babcock & Wilcox Co., New York, N. Y.; steam boilers; \$16,000.

Balley-Walker China Co., Bedford, Ohio; vitrified china dishes; \$14,000.

Baker Brothers, Inc., Toledo, Ohio; boring and drilling machines; \$50,000.

The Bauer Brothers Co., Springfield, Ohio; machining of shells; \$89,000.

Bellingham Plywood Corporation, Bellingham, Wash.; Douglas fir plywood, hardwood plywood and veneers; \$313,000.

Bendix Radio Corporation, South Bend, Ind.; dynamotors, band change motors, etc., essential to manufacture of aviation radio equipment; \$20,000.

Bower Roller Bearing Co., Detroit, Mich.; aircraft engine bearings, small metal parts for aircraft engines; \$133,000.

Edward G. Budd Manufacturing Co., Philadelphia, Pa.; doors, hatches, and scuttles for naval vessels; \$105,000.

Callaway Mills, LaGrange, Ga.; canvas cotton, duck and plied yarns; \$407,000.

Central Sugar Company, Inc., Decatur, Ind.; storage of soybeans; \$208,000.

Clearing Machine Corporation, Chicago, Ill.; hydraulic presses, press brakes, dies, cushions, etc.; \$45,000.

Coastal Refineries, Inc., Taylor, Tex.; gasoline and other petroleum products; \$17,000.

Collins Radio Co., Cedar Rapids, Iowa; radio transmitting and receiving equipment; \$9,000.

Combustion Engineering Co., New York, N. Y.; marine boiler units, oxidation units and fabricated products; \$132,000.

Continental Roll & Steel Foundry Co., East Chicago, Ind.; cast steel armor castings; \$149,000.

The Cushman Chuck Co., Hartford, Conn.; chucks for machine tools; \$13,000.

C. R. Daniels, Inc., New York, N. Y.; spun yarns, cotton duck, sliver and yarn; \$62,000.

Domestic Egg Products, Inc., New York, N. Y.; dried egg products; \$124,000.

Dresser Manufacturing Co., Olean, N. Y.; forgings, machined shells, and marine steam engines; \$89,000.

Duluth, Missabe & Iron Range Railway Co., Duluth, Minn.; transportation; \$2,345,000.

Elgin, Joliet & Eastern Railway Co., Chicago, Ill.; transportation; \$4,920,000.

Farmers Mutual Elevator Co., Humboldt, Minn.; grain storage; \$11,000.

Firth-Sterling Steel Co., McKeesport, Pa.; tool steel; \$35,000.

L. S. Fisher Construction Co., Inc., Woodward, Okla.; handling and storing of grain; \$59,000.

The Fitzsimmons Co., Youngstown, Ohio; cold drawn steel; \$25,000.

Foot Gear Works, Inc., Cicero, Ill.; gears for tanks and diesel engines; \$21,000.

General Machinery Corporation, Hamilton, Ohio; marine engines; \$160,000.

General Mills, Inc., Minneapolis, Minn.; ordnance material; \$691,000.

Goddard & Goddard Co., Detroit, Mich.; machine tools; \$16,000.

The Goodyear Tire & Rubber Co., Akron, Ohio; reclaimed natural and synthetic rubber compounds; \$38,000.

Hammond & Irving, Inc., Auburn, N. Y.; steel forgings; \$26,000.

Illinois Central Railroad Co., Chicago, Ill.; transportation; \$7,399,000.

Jones & Laughlin Steel Corporation, Pittsburgh, Pa.; pig iron and steel; \$40,000.

M. W. Kellogg Co., Jersey City, N. J.; heat

(Continued on page 21)

War Department contracts

Defense contracts totaling \$92,008,762 were awarded by the War Department and cleared by the Division of Purchases, September 18 through 24. This compares with \$302,322,126 the previous week.

Contracts for construction amounted to \$23,089,585; contracts for equipment and supplies to \$17,207,730; contracts for ordnance to \$18,420,588; and contracts for aircraft to \$33,290,859.

ORDNANCE

Midvale Co., Nicetown, Philadelphia, Pa.; steel forgings; \$3,096,948.

Sheffield Corporation, Dayton, Ohio; multi-checks; \$638,035.

Continental Motors Corporation, Muskegon, Mich.; parts for tanks; \$1,235,523.

Campbell, Wyant, and Cannon Foundry Co., Muskegon, Mich.; universal track carriers; \$3,094,900.

Wagner Electric Corporation, St. Louis, Mo.; shot; \$1,530,000.

Armstrong Cork Co., Lancaster, Pa.; shells; \$3,062,000.

Stedfast & Roulston, Inc., Boston, Mass. (for manufacture at The R. K. LeBlond Machine Tool Co., Cincinnati, Ohio); lathes; \$1,353,182.

Kohler Co., Kohler, Wis.; shells; \$1,750,000.

Waterbury Clock Co., Waterbury, Conn.; fuse bodies; \$970,000.

The Broderick Co., Muncie, Ind.; shells; \$1,690,000.

CONSTRUCTION

Three contractors: Pearson & Dickerson Contractors, Inc., Oswald Bros., and J. A. Casson Co., Phoenix, Ariz.; construction at Litchfield Park, Ariz.; \$924,690.

Hughes-Foulkrod Co., Philadelphia, Pa.; construction of storehouses and office building at Frankford Arsenal, Pa.; \$577,800.

F. N. Thompson, Raleigh, N. C.; construction of buildings, open and closed shed bays and fencing of critical areas at Camp Davis, N. C.; \$794,594.

Forcum James Co., Memphis, Tenn.; construction of recreation buildings, Camp Livingston, La.; \$532,680.

A. K. Adams Co., Atlanta, Ga.; construction of administration building, Atlanta Georgia General Depot; \$671,920.

Military Chemical Works, Inc., Kansas City, Mo. (a wholly owned subsidiary of Pittsburgh

and Midway Coal Mining Co.); prime contract for construction and operation of Jayhawk Ordnance Works at Baxter Springs, Kansas, a plant which will manufacture anhydrous ammonia and ammonium nitrate; \$18,981,901 (it is estimated that \$10,193,600 will be for construction and \$6,513,100 for procurement of production equipment).

Corbetta Construction Co., Inc., New York, N. Y.; construction of warehouse, Columbus General Depot, Ohio; \$606,000.

AIRCRAFT

Vultee Aircraft, Inc., Downey, Calif.; airplanes, engines, propellers and spare parts; \$12,384,083.

Northrop Aircraft, Inc., Hawthorne, Calif.; airplanes and spare parts; \$18,411,812.

Fairchild Engine and Airplane Corporation, Ranger Aircraft Engines Division, Farmingdale, L. I., N. Y.; engines and spare parts; \$2,494,964.

EQUIPMENT AND SUPPLIES

Air Cruisers, Inc., Clifton, N. J.; life rafts; \$1,561,400.

Switlik Parachute & Equipment Co., Trenton, N. J.; parachutes and equipment; \$1,787,055.

Emerson Electric Manufacturing Co., St. Louis, Mo.; turret assemblies; \$8,025,000.

The Sparks-Withington Co., Jackson, Mich.; mooring kits and signal assemblies; \$522,901.

Blackhawk Mfg. Co., Milwaukee, Wis.; jack assemblies; \$554,484.

Diamond T Motor Car Co., Chicago, Ill.; 4-ton trucks; \$4,098,570.

Hillsdale Mfg. Co., Hillsdale, Mich. (Mills: Hillsdale and Coldwater, Mich.); 900,000 canvas leggings; \$658,320.

SUBCONTRACTS

Broderick and Gordon, Denver, Colo.; construction of Utah Ordnance Plant at Salt Lake City; architects and engineers, Smith, Hinchman & Grylls, Detroit, Mich., and Royce J. Tipton, Denver, Colo.; \$17,769,597. (The Remington Arms Co., Inc., of Bridgeport, Conn., is prime contractor as previously announced.)

Two contractors: Freeto Construction Co. of Pittsburgh, Kans., and F. H. McGraw & Co., Hartford, Conn.; construction of Jayhawk Ordnance Works at Baxter Springs, Kans.; architects and engineers, Chemical Construction Corporation, New York City; \$10,193,600.

Certificates of Necessity

(Continued from page 20)

treating and bending of pipes for Naval vessels; \$77,000.

Kellogg Commission Co., Minneapolis, Minn.; grain storage; \$7,000.

Keokuk Electro Metals Co., Keokuk, Iowa; silvery iron; \$1,631,000.

Kilby Steel Co., Anniston, Ala.; machining of shells; \$120,000.

The Langley Instrument & Machine Co., San Diego, Calif.; airplane parts; \$8,000.

Lebanon Steel Foundry, Lebanon, Pa.; castings for tank armor, turbines and pumps, for ships; \$107,000.

LeTourneau Co. of Georgia, Toccoa, Ga.; machining of shells; \$13,000.

Maine Steel, Inc., South Portland, Maine; shipbuilding hardware; \$3,000.

Master Machine & Tool Co., Chicago, Ill.; machine tools, jigs, fixtures; \$12,000.

Minor Walton Bean Co., Grand Rapids, Mich.; storing and processing of beans; \$17,000.

The Mosler Safe Co., Hamilton, Ohio; machine tool parts; \$17,000.

National Lead Co., St. Louis, Mo.; calcined zinc concentrates; \$434,000.

The National Tool Co., Cleveland, Ohio; machine tools; \$68,000.

New Orleans Terminal Co., Washington, D. C.; transportation; \$17,000.

North Electric Manufacturing Co., Galien, Ohio; automatic telephone switchboards, dials, power equipment, etc.; \$1,000.

Northwest Steel Rolling Mills, Inc., Seattle, Wash.; steel billets; \$102,000.

Omaha Cold Storage Co., Omaha, Nebr.; spray process dried eggs; \$20,000.

Pan American Refining Corporation, New York, N. Y.; gasoline; \$30,000.

Pelton Steel Casting Co., Milwaukee, Wis.; steel and alloy castings; \$58,000.

The Pennsylvania Railroad Co., Philadelphia, Pa.; transportation; \$133,000.

Romec Pump Co., Elyria, Ohio; pumps; \$5,000.

Rustless Iron & Steel Corporation, Baltimore, Md.; stainless steel products; \$352,000.

Shell Oil Co., Inc., New York, N. Y.; gasoline, oil and petroleum products; \$413,000.

Sloss-Sheffield Steel & Iron Co., Birmingham, Ala.; coal coke, byproducts of coke, and pig iron; \$28,000.

Solvay Process Co., Syracuse, N. Y.; ammonium and sodium nitrate; \$1,398,000.

Stockham Pipe Fittings Co., Birmingham, Ala.; machining of shells; \$3,000.

Tacoma Transit Co., Tacoma, Wash.; transportation; \$130,000.

Taylor Refining Co., Taylor, Tex.; gasoline and petroleum products; \$34,000.

Textile Proofer, Inc., Jersey City, N. J.; fireproofing and waterproofing of tent, tarpaulin, etc.; \$2,000.

Trackson Co., Milwaukee, Wis.; earth moving machinery; \$105,000.

The Van Dorn Iron Works Co., Cleveland, Ohio; processed rolled homogeneous armor plate; \$38,000.

Vinco Corporation, Detroit, Mich.; gauges, gears, and checking devices; \$37,000.

The Waco Aircraft Co., Troy, Ohio; aircraft and parts; \$65,000.

O. S. Walker Co., Inc., Worcester, Mass.; magnetic chucks and grinding machines; \$5,000.

Walworth Co., New York, N. Y.; valves and fittings; \$70,000.

Whiting Corporation, Harvey, Ill.; cranes, rotary metal working machinery, and cupolas; \$24,000.

Wico Electric Co. West Springfield, Mass.; aircraft magneto, parts for same, and engineering service; \$81,000.

Willamette Iron and Steel Corporation, Portland, Oreg.; reconditioning and conversion of vessels, manufacture of engines; \$152,000.

Wyman-Gordon Co., Worcester, Mass.; forgings for airplanes, aircraft propeller assemblies; \$1,088,000.

Purchases Division organized into industrial branches in OPM system

Organization of the Division of Purchases into industrial branches in line with the recent redistribution of branches and sections within the Office of Production Management was announced September 25 by Douglas C. MacKeachie, Director of Purchases.

For industries in which defense procurement of finished goods is a major problem, the industrial branches in the Division of Purchases assume primary responsibility for all defense problems, including questions of civilian supply and simplification and conservation, and make recommendations on priorities matters. For certain other industries, the Division of Purchases takes responsibility only for advising Government agencies on procurement, with responsibility for matters like priorities and civilian supply lodged elsewhere.

The Division will maintain purchasing specialists with the other Divisions of OPM, and will continue to have purchasing advisers with other Government agencies.

Deputy Director of the Division is Arthur Newhall, of Meadville, Pa.

Mr. Newhall is on leave from his position as executive vice president of Talon, Inc., a position which he assumed 2 years ago.

Executive officer of the Division is Philip F. Maguire, who comes to this post from his previous position as assistant administrator of the Surplus Marketing Administration, Department of Agriculture.

Principal industrial branches

Principal Industrial Branches of the Division are as follows:

FOOD SUPPLY BRANCH: Howard Cunningham, assistant director of purchases, in charge. Mr. Cunningham has been handling subsistence problems for the Division for several months; in private life he is director of purchases for the National Biscuit Co.

John Martin remains in charge of all perishable foodstuffs, as head of the perishable foods section.

The chief of the nonperishable foods section will be announced later. In this section are the canned and dehydrated foods unit, headed by John Baxter; the bakery products unit, headed by John T. McCarthy, and the grocery and package goods unit, whose head will be announced later. Additional commodity units are in process of formation.

TEXTILES, CLOTHING AND EQUIPAGE BRANCH: R. R. Guthrie, assistant director of purchases, in charge. Mr. Guthrie is director of Allied Stores Corporation and lives in Paducah, Ky. He retains his old OPM post as executive director of the Post Exchange Committee.

Sections in this Branch include: Textiles and fibres section, Frank Walton, chief; chief

consultant, J. A. Rice; shoes and leather products section, Harold Florsheim, chief; hides, leather and skins section, Joseph Byron, chief; clothing section, Robert J. Dillon, chief; equippage section, name of chief to be announced later.

CONTAINERS BRANCH: Walter Shorter, assistant director of purchases, in charge. Sales manager of the specialties division of the International Paper Co., Mr. Shorter came to OPM last winter as assistant to the Director of Purchases, and later served for several months as purchasing consultant to the pulp and paper section in the Production Division.

This Branch contains the following sections, the chiefs of which will be announced later: metal containers section, glass and plastics containers section, paper and fibre containers section, fabric containers section, wood containers section.

HEALTH SUPPLIES AND FIRE EQUIPMENT BRANCH: W. Emmett Bittner, assistant director of purchases, in charge. Mr. Bittner is on leave as director of purchases for the Diamond Alkali Corporation of Pittsburgh.

This branch contains the health supplies section and the fire equipment section, whose chiefs will be announced later.

In addition, the Branch also contains three procurement advisory sections, which are responsible for advising Government agencies on procurement problems. These are the coal, coke and petroleum section, the motor transport section and the industrial equipment section. Chiefs of these sections will be announced later.

EQUIPMENT AND SUPPLIES PROCUREMENT ADVISORY BRANCH: James MacPherson, assistant director of purchases, in charge. Mr. MacPherson is on leave from his position as secretary-treasurer of the California-Arabia Standard Oil Co. of San Francisco.

All of the sections in this Branch are responsible for advising Government agencies on procurement problems and for coordinating purchases by various Government agencies. The sections include: lumber and building materials; plumbing and heating; air conditioning and refrigeration; electrical goods; paints; furniture; general supplies. Chiefs of the sections will be announced later.

In addition to the branches concerned with industry problems, there are two others:

CONTRACT CLEARANCE BRANCH: Hiram S. Brown, assistant director of purchases, in charge. In this Branch are the pre-clearance review section, H. B. Hayden, chief; the cost-analysis section, T. H. Sanders, chief, and the contract clearance section, whose chief will be announced later.

ACCOUNTING AND DISTRIBUTION ADVISORY BRANCH: Eric Camman, chief; M. Peloubet, assistant chief; F. C. Weed and W. R. Rosenberger, consultants.

Continued under the Purchasing Division are the post exchange committee and the advisory committee which functioned under the former set-up.

A staff of priorities specialists headed by J. W. Peters will advise the various branches and sections which handle priorities problems.

A group of experts from the Bureau of Research and Statistics, headed by M. L. McElroy, will be at the service of the Purchasing Division.

Consultants to the Purchasing Division include Sidney J. Weinberg, A. D. Whiteside, S. F. Teale, Austin Grimshaw, Amos Parrish, and Elmo Roper.

The Division's legal staff includes Alexander B. Hawes, Fairfax Leary, and B. C. Schmidt.

Maj. Gen. W. C. Baker serves as liaison officer between the Purchasing Division and the War Department. Rear Admiral Charles Conard is liaison officer between the Division and the Navy Department.

CIVILIAN DEFENSE . . .

"Pots and pans" collection yields enough aluminum for over 1,900 fighter planes

The Nation's housewives donated to the Government from July 21 to 29 enough aluminum to make more than 1,900 fighter planes or 350 four-motored bombers, it was announced September 24 by the Office of Production Management and the Office of Civilian Defense.

With returns from the Nation nearly all in, the estimated gross collection total of "pots and pans" amounted to 11,835-139 pounds, or about one-third of a pound per occupied dwelling. Office of Production Management experts estimated this would yield about 7,000,000 pounds of aluminum for defense production. The balance between these two figures represents other materials, primarily iron and steel, which were attached to the aluminum articles.

97.4 percent allocated

Of the gross collection 97.4 percent or all but 310,000 pounds, already has been allocated to smelters having defense preference ratings. This assures the use of the aluminum collected in defense plants.

The highest gross collection of any State was recorded by New York where housewives contributed 1,050,000 pounds of pots and pans. Second highest State was Pennsylvania with a recorded total of 900,000 pounds, and Massachusetts was third with 699,150 pounds.

Highest contributors per dwelling was reported by Rhode Island where 1.088 pounds per occupied unit were contributed to the collection. Second highest per dwelling contribution was reported by Nevada with 0.744 pound per unit, and Utah was third with 0.716 pound per dwelling.

Fell short of estimates

The total collected throughout the Nation fell considerably below OPM estimates. These estimates were based upon the per capita yield from test campaigns conducted in Richmond, Va., and in Dane County, Wis., which campaigns were organized thoroughly and con-

ducted intensively. Several factors apparently contributed to a less successful yield throughout the Nation.

Besides yielding enough aluminum to materially improve an emergency shortage of scrap metal at defense smelters, the campaign has taught valuable lessons for the guidance of OPM officials in planning for the salvaging of other scrap and waste materials.

Totals by States

Totals by States follow:

State	"Pots and pans" (pounds)	Poundage of "pots and pans" per occupied dwelling
Alabama ²	80,000	0.119
Arizona.....	45,000	.345
Arkansas ¹	75,000	.152
California.....	500,000	.234
Colorado.....	113,000	.358
Connecticut.....	301,140	.674
District of Columbia.....	84,460	.493
Delaware.....	27,340	.387
Florida.....	130,000	.251
Georgia ²	120,000	.159
Idaho.....	45,000	.319
Illinois.....	650,000	.295
Indiana.....	385,000	.401
Iowa ¹	300,000	.427
Kansas ¹	200,000	.390
Kentucky.....	143,037	.205
Louisiana.....	145,000	.245
Maine ²	142,000	.677
Maryland.....	203,014	.435
Massachusetts.....	699,150	.626
Michigan ²	440,000	.315
Minnesota.....	253,000	.348
Mississippi ¹	60,000	.112
Missouri.....	235,000	.275
Montana.....	64,050	.400
Nebraska.....	153,221	.369
Nevada.....	24,705	.744
New Hampshire.....	90,999	.685
New Jersey.....	609,000	.554
New Mexico.....	40,000	.312
New York.....	1,050,000	.285
North Carolina.....	140,000	.178
North Dakota ²	65,000	.427
Ohio ¹	640,000	.336
Oklahoma.....	214,000	.350
Oregon.....	115,000	.343
Pennsylvania ¹	900,000	.358
Rhode Island.....	204,000	1.088
South Carolina.....	51,000	.117
South Dakota.....	40,000	.242
Tennessee.....	109,801	.153
Texas ²	420,000	.250
Utah.....	100,000	.716
Vermont ²	62,500	.677
Virginia.....	212,000	.338
Washington.....	225,000	.418
West Virginia.....	145,000	.326
Wisconsin.....	607,782	.619
Wyoming.....	36,000	.520
Total estimated "pots and pans"....pounds..	11,835,139	1.341

¹ Estimate based upon fairly complete returns.

² Estimate based upon decidedly incomplete returns.

³ National average per occupied dwelling.

Complete returns given for all others.

85 hospitals initiate courses for nurses' aides

To meet the increasing demand for nurses arising from the need of the expanding military establishment and war industries, 85 hospitals have initiated courses to train volunteer nurses' aides, Mayor F. H. LaGuardia, Director of the Office of Civilian Defense, announced September 28.

Slightly more than a month ago the Office of Civilian Defense announced the initiation of a program to train 100,000 nurses' aides in collaboration with the American National Red Cross.

Since that time 32 Red Cross chapters in 25 States have started the training courses. Plans have been completed in 121 additional Red Cross chapters to start classes immediately and many other chapters are now organizing for this purpose. It is expected the program will reach into every city and town in the country.

"Refresher" courses for graduate nurses

The Federal Security Agency recently obtained an appropriation of \$1,250,000 to expand existing training facilities for graduate nurses. As a result, enrollment in nurses' training schools has greatly increased. Refresher courses for graduate nurses who have been inactive professionally are being encouraged by the Federal Security Agency.

Mayor LaGuardia said that despite the increased enrollment in training schools for graduate nurses, additional facilities must be provided.

The program of the Office of Civilian Defense and the American National Red Cross to train 100,000 volunteer nurses' aides will provide a corps of assistants for nurses in hospitals, clinics, health departments, and in the field. This, Mayor LaGuardia said, will enable the inadequate number of nurses to render their trained services more effectively in the emergency. The curriculum for training was prepared by the Medical Division of the Office of Civilian Defense, American National Red Cross, and the Federal Security Agency.

Aides get theory and practice

The training of the Volunteer Nurses' Aides consists of a course of instruction followed by practical training in hospitals especially designated by the Office of

Civilian Defense. Upon completion of the course, aides will be entitled to wear the uniform of the Volunteer Nurses' Aides and the insignia designed by the Office of Civilian Defense and the American Red Cross. They then will be enrolled in the Volunteer Nurses' Aide Corps and will be assigned to assist nurses in hospitals, clinics, health departments, and field nursing services. The nurses' aides must give 150 hours of volunteer service annually to maintain membership in the corps and to be permitted to wear the uniform. The 150 hours of service annually must be given within a 3-month period.

Women between the ages of 18 and 50, with a high school education, or its equivalent, and who are physically fit, are urged by Mayor LaGuardia to make application for the Volunteer Nurses' Aides course at their local Red Cross chapter.

Many hospitals give aide training

Training already is being given in the following hospitals:

Connecticut—Bridgeport, Bridgeport General; Greenwich, Greenwich Hospital; Municipal Hospital; New Haven, New Haven Hospital; Norwalk, Norwalk General Hospital.

Georgia—Savannah, St. Josephs Hospital.

Maine—Rockland, Camden County Hospital; Knox, County Hospital.

Maryland—Annapolis, Annapolis General Hospital; Baltimore, University of Maryland Hospital; Johns Hopkins Hospital.

Massachusetts—New Bedford, St. Luke's Hospital; Northampton, Cooley Dickinson Hospital; Worcester, Worcester City Hospital; Hahnemann Hospital, Memorial Hospital, Mercy Hospital.

New Jersey—Elizabeth, Elizabeth General Hospital; Monmouth County, Monmouth Memorial Hospital; Morristown, Morristown Memorial; Passaic, Passaic General Hospital.

New York—Bronxville, Yonkers General Hospital; Brooklyn, Kings County Hospital; New York City, Bellevue Hospital, Montefiore, New York Infirmary for Women and Children, Post Graduate; Poughkeepsie, Vassar Brothers Hospital, St. Francis Hospital; Nassau County, Nassau Hospital, North County Hospital, Meadowbrook Hospital; Rochester, Strong Memorial Hospital, St. Mary's Hospital, Rochester General Hospital, Genesee Hospital, Highland Hospital; Watertown, House of Good Samaritan, Mercy Hospital; Westchester County, White Plains Hospital, Grasslands Hospital, New Rochelle Hospital, Mt. Vernon Hospital, Port Chester Hospital, Northern Westchester Hospital, St. Agnes Hospital.

Pennsylvania—Pittsburgh, Presbyterian Hospital, Montefiore Hospital, University of Pittsburgh, St. Margaret's Hospital, Allegheny Hospital, Magee Hospital; Philadelphia, Philadelphia General Hospital, Presbyterian Hospital, University of Pennsylvania Hospital, Bryn Mawr Hospital.

Rhode Island—Providence, Rhode Island Hospital, Butler Hospital, Homeopathic Hospital.

Virginia—Clark County, Winchester Hospital; Norfolk, Norfolk General, St. Vincent's.

Washington, D. C.—Georgetown Hospital, Emergency Hospital.

The following cities are also beginning training courses: Los Angeles, Calif.; Chicago, Ill.; Detroit, Mich.; Kansas City and St. Louis, Mo.

HEALTH AND WELFARE . . .

Nurse training expanded, but thousands are needed, Parran reports

Calling the shortage in nurses a threat to the Nation's greatest resource—that of manpower—Dr. Thomas Parran, Surgeon General of the United States Public Health Service and a member of the Health and Medical Committee in the Office of Defense Health and Welfare Services, reported over the National Radio Forum for September 22 on progress in recruiting and training nurses for national defense.

Progress outlined

With Federal help through \$1,250,000 recently appropriated by Congress, hospitals and nursing schools all over the country are already expanding nurses' training along three major lines, according to Dr. Parran. He reported that:

"Eighty-eight of the Nation's nursing schools can accept 2,000 more students this year. These schools are in 36 of our States, in Hawaii, and in Puerto Rico. In addition, 67 schools in 32 States will offer brief refresher courses to 3,000 inactive registered nurses who want to return to duty . . . Through Federal aid 26 institutions will be able to give post-graduate courses to 500 additional nurses; the majority of these are preparing to become head nurses and teachers, the leaders in the new nursing army . . . The response of the nursing schools has been tremendous. Unfortunately, the funds now at our disposal made it possible to select only a few schools for Federal aid . . . But many of the best schools in the country were able to expand without our help, and I am happy to say, they have done so."

Services take 600 a month

The nursing army, numbering now some 300,000, needs to increase its ranks by 10,000—and more. Dr. Parran stated that ". . . even in normal times there are 10,000 nurses needed who are not there. Never before in our peacetime history has America had 2 million men under arms. Every month, more than 600 nurses are drawn from civilian life to serve the Army and the Navy. Defense industries and Army camps are drawing people from one section of the country to another. Towns that housed a thousand have become the homes of

tens of thousands. These new citizens bring with them all the health problems of the swift-growing congested areas."

"We need three where we have one"

This shortage is particularly acute in Dr. Parran's own field—that of public health. The Senior Nursing Consultant of the Public Health Service, Pearl McIver, who was one of the four participants in the Forum, pointed out that: ". . . In 1940—for the first time in 6 years—the number of public health nurses in this country did not increase. There are less than 24,000 of us now—employed by all types of agencies. And, to do a good job, we need three wherever we now have one. Every State and Territorial Health Department as well as our own Federal service has vacancies. There are not enough qualified nurses to meet peacetime needs, and we have the additional demands of national defense . . ."

Representative Frances Payne Bolton of Ohio, speaking from 30 years' experience—she is a trustee of the Frances Payne Bolton School of Nursing in Western Reserve University—made a plea to parents and daughters: ". . . to consider nursing as the finest possible opportunity open to the young women of America today. You who are parents can rest assured that in our accredited Schools of Nursing your daughters' health and welfare will be safeguarded, and that they will find opportunity for scholarship and inspiration for service. To you girls I would like to say that the years ahead are going to be hard years when life will demand a disciplined strength and courage from us all. Nursing offers you a chance to prepare yourselves for such living as no other training does."

Jobs won't end with emergency

In summarizing the Forum, Dr. Parran emphasized the fact that the thousands of student nurses in this country can look forward to jobs that will not end with the present emergency.

(Young women interested in nurse training should be referred to the Nursing Information Bureau, 1790 Broadway, New York City, or to the United States Public Health Service, Washington, D. C.)

Key men appointed for new Materials Division; Branch chiefs remain

Selection of key personnel for the new Division of Materials, headed by W. L. Batt, has been completed, the Office of Production Management announced September 27.

The executive staff consists of A. I. Henderson and Philip D. Reed, deputy directors; C. E. Rhetts, Washington, D. C., executive assistant to Mr. Batt; and Dr. C. K. Leith, Madison, Wis., technical consultant.

Mr. Henderson was deputy chief of the Materials Branch of the Priorities Division from July 1940 until May of this year when he took a leave of absence. Mr. Reed long has been identified with the materials program, having been in charge of Subdivision E of the Priorities Division under E. R. Stettinius, Jr. Mr. Henderson and Mr. Reed are from New York City.

Under the revised setup, Mr. Reed will be in direct charge of strategic materials, all or part of which must be imported. Branches under his direction include Cork and Asbestos, Tungsten, Manganese, Mica-Graphite, Nickel, Copper and Zinc, Tin and Lead, and Miscellaneous Minerals. A separate branch covering the stock pile and shipping program also is under his direction. It is headed by Philip W. Parker of New York City. C. H. Mathiessen, Jr., Pasadena, Calif., is assistant to Mr. Reed.

Critical materials, in which expanded U. S. production is under way, constitute the particular field of which Mr. Henderson will have charge. These are

aluminum and magnesium, iron and steel, chemicals, and power.

F. W. Gardner to head Rubber Branch

No changes have been made in the chiefs of the various branches, with the exception of rubber which has been taken over by the Division of Civilian Supply. F. W. Gardner, of New York City, former assistant in charge of cork and asbestos, is chief of that new branch.

The other branch chiefs are:

Aluminum and Magnesium—A. H. Bunker, New York City; Chemicals—E. R. Weidlein, Pittsburgh, Pa.; Iron and Steel—A. D. Whiteside, New York City; Power—J. A. Krug, Norris, Tenn.; Nickel—D. A. Uebelacker, Englewood, N. J.; Tungsten—H. K. Masters, New York City; Copper and Zinc—J. A. Church, Westport, Conn.; Tin and Lead—Erwin Vogelsang, New York City; Mica-Graphite—H. C. Sykes, New York City; and Miscellaneous Minerals—R. J. Lund, Racine, Wis.

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Knowlson to have charge of Priorities operations

Priorities Director Nelson announced September 23 the appointment of J. S. Knowlson, of Chicago, to be deputy director of priorities in charge of operations. Mr. Knowlson succeeds Thomas B. McCabe, who will take up new responsibilities on the staff of Lend-Lease Administrator Edward R. Stettinius, Jr.

OPM to cooperate with banks in financing defense contracts

Bradley D. Nash, representing the financial section of OPM's Contract Distribution Division, on September 28, outlined to the Defense Loans Committee of the American Bankers' Association a program to cooperate with lending institutions in financing defense contracts. Mr. Nash's statement, in part:

The Office of Production Management through the financial section of the Contract Distribution Division recognizes the responsibility of the financial community, public and private, to see that a manufacturer who has a prime or sub-defense contract or whom the armed services wish to see receive such contracts, shall not fail in the attempt to complete the job because of a lack of money. This office expects to cooperate with the commercial banks, the Reconstruction Finance Corporation, and the Federal Reserve banks to the end that these prime and subcontractors may be brought in touch with all available financing facilities. Moreover, this financial office intends to discuss any requests from prime or subcontractors that come before it with the contractor's local bank. If the manufacturer's bank cannot make the requested advance, this office will do its best, with the assistance of every available private and Government financial agency, to meet the contractors' financial requirements.

The Contract Distribution Division urges the banks to encourage their manufacturing customers to whom such action is appropriate, to form prime or subcontract groups.

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